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# Latin America Report

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3 April 1985

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INTER-AMERICAN AFFAIRS

FRG OFFICIAL URGES CLOSER CUBAN TIES, COOL TOWARD NICARAGUA

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 2 Feb 85 p 5

[Article by C.G.: "Moellemann in Favor of Closer Relations With Cuba; Reflections about Increased Aid to Nicaragua"]

[Text] Bonn, 1 February--Following a visit to five Central American countries and Mexico, State Minister Moellemann of Bonn's Foreign Affairs Ministry came out in favor of "closer ties with Cuba." This would be desirable, he said, because Cuba exercises influence in Central America. Moellemann reported that church officials in Nicaragua and Guatemala had pleaded that the FRG not reduce its contacts with those two countries. The human rights question in Nicaragua and Guatemala, he said, would have to be considered from different aspects. Moellemann called attention to the fact that after the fall of dictator Somoza Nicaragua had received more German aid than all other Central American countries combined. The reduction in contributions from Bonn--at present no new ones are contemplated, though ongoing projects are being continued--is an expression of disappointment over the fact that Nicaragua had broken its promise not to intervene in the internal affairs of other countries, such as El Salvador. Now, he added, the FRG government would have to debate on whether the development of parliamentary procedures in Nicaragua constitutes sufficient grounds for increasing aid once again. If the FRG were to give aid only to those countries where there are no violations of human rights at all, he added, "we would have to cancel 80 percent of all our assistance programs."

Nicaragua has economic difficulties, Moellemann said. What matters now is the order of importance which will be accorded to democracy and human rights in the country's future constitution. The government would have to demonstrate the extent to which it is prepared to conduct a dialogue with the opposition, even if the latter has no parliamentary representation, as is the case in El Salvador. In addition, there would have to be some clarification as to the policies Nicaragua intends to pursue with respect to its neighbors. President Ortega, he continued, had admitted to intervention in El Salvador, but went on to say that this would not happen again in the future. Moellemann reported that he made it clear in Nicaragua and in the other Central American states that the FRG government not only adheres to the principles of non-intervention and human rights, but that it expects others to do likewise and that it considers this policy as a criterion for



maintaining relations. The FDP politician expressed his opposition to any German support for groups which are fighting against the Nicaragua regime; the minister of state justified this attitude by indicating that even "indirect interventions" are undesirable.

In the opinion of the minister of state, the FRG should coordinate its Central America policy with the European Community. In dealing with the United States, the European attitude should be brought to bear, he added. Because of the difficulties which are increasingly facing the efforts by the Contadora Group to pacify the Central American area, the European Community "would perhaps soon be the lone remaining meeting ground on which these countries can get together.

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CSO: 3620/255

INTER-AMERICAN AFFAIRS

BRIEFS

MEXICO, ARGENTINA GRAIN AGREEMENT--Mexico City, 7 March (NOTIMEX)--This year Mexico will import from Argentina 1,260,000 tons of grains valued at \$200 million, the National Company for Basic Commodities (Conasupo) has reported. It said the intergovernmental agreement which was signed, will be ratified during Argentine President Raul Alfonsin's forthcoming visit to Mexico. Conasupo said the accord included buying 650,000 tons of sorghum, 160,000 tons of corn, 300,000 tons of beans and soybeans, and 180,000 tons of sunflower seeds. Conasupo said that in 1984 imports of grains and food came to 9,084,006 tons and that it is forecasted that in 1985 this will be reduced by 50 percent. [Excerpts] [Mexico City NOTIMEX in Spanish 1840 GMT 7 Mar 85 FL]

CSO: 3248/270

ARGENTINA

LAWMAKER TO SEEK EXPULSION OF ISRAELI ENVOY

PY092105 Buenos Aires TELAM in Spanish 2322 GMT 8 Mar 85

[Text] Buenos Aires, 8 Mar (TELAM)--Peronist Deputy Antonio Paleari will ask that Israeli Ambassador Dov Schmorak, whom he has called insolent and charged with meddling in affairs that are of national concern, be declared person non grata and be expelled from the country. The Justicialist lawmaker has rejected statements attributed to the Israeli diplomat that Argentina not permit the Palestine Liberation Organization (PLO) to establish an office in Buenos Aires. Paleari, who has drafted a bill asking that a PLO diplomatic mission be allowed in our country, stated that the Israeli ambassador talks as though he were in Tel Aviv or as though he were an Argentine foreign minister or lawmaker. He feels that Ambassador Schmorak is an insolent person who is unacceptably meddling in affairs that are of national concern.

Paleari, who belongs to the renewal sector of the Peronist bloc, reported that next Monday he will submit a draft bill asking that the Argentine Government declare the diplomat person non grata and order him to leave our country.

CSO: 3348/464

ARGENTINA

# NEW SUPREME COUNCIL MEMBERS PROFILED

Buenos Aires SOMOS in Spanish 15 Feb 85 p 13

[Article by Carlos Varas and Rafael Varela: "Changing of the Guard"; passages enclosed in slantlines printed in italics]

[Text] On Wednesday, 6 February, after a ceremony that barely lasted 15 minutes, the six new members of the Supreme Council of the Armed Forces exchanged a few words with Minister of Defense Horacio Jaunarena and left. They did not have one word with the journalists. That afternoon a long crisis was finally over. It had begun in September 1984 and ended with the resignation of all the members of the council. That started a long process of consultations in the three branches in order to form a new council that must hear about 200 cases involving alleged excesses in the antirsubversive fight, including retired Gen Ramon Camps, and Malvinas War cases. Who are the six military chiefs who now have that heavy burden? One military source told SOMOS: "All are men who retired a decade ago and are considered moderates without political ties." Here is some background about the brand-new judges:

Brig Abel Martinez is president of the council. He is the brother of Brig Maj Ezequiel Martinez who was the Republican Alliance presidential candidate in 1973.

Brig Norberto Sciutto retired at the beginning of the 1970's. In the Air Force they consider him a "good professional without political ties."

Rear Adm Jose M. Guzman retired 15 years ago. In the Navy he is considered a /moderate/.

Rear Adm Eduardo Davidou retired about the same time as Guzman. He is considered a man educated in liberal philosophy.

Div Gen Horacio Rivera was promoted to general in 1972. He was director of Fabricaciones Militares and commander of Institutos Militares under the last Peronist government. He retired in 1975. Rivera's acceptance of this position would have been the result of a long talk with General Pianta, both from the artillery branch.

Brig Gen Virgilio Gorriz was promoted to general in the last year of Juan Carlos Onganía's government. He retired during Lanusse's presidency. He is considered a soldier of the "center right but without special political inclinations."

In general, it can be said that /discretion/ and the lack of real political militancy characterize these senior officers.

The formation of the new Supreme Council had to be hurried at the end because the different federal courts are about to call several cases because of the delay. The Federal Criminal Court of the Federal Capital did this in the case of the nine former commanders. One military analyst commented: "If this happens, the trials would be beyond government control with all the political risk that this implies."

As to the publicized case of the former commanders being tried for alleged excesses in the antisubversive fight--which is now in civil court--military circles comment that it is very possible that /a special request that the trial be held in secret to avoid tension in the different branches/ will be sent to the Ministry of Defense. There are already about 150 journalists accredited to attend the public trial. It is felt that the decision of the Federal Court will come /in June/ but then there will be an appeal to the Supreme Court of Justice which will extend the trial until /the middle of November/. As to the other major trial--on the Malvinas War--the decision should be known by the end of this year.

These are the assumptions of the analysts. However, the truth is that the popularity of the military topic last year seems to be giving way to the economic crisis. However, it is obvious that the government is concerned about resolving the ticklish topic as soon as possible.

7717

CSO: 3348/421

3 April 1985

ARGENTINA

## BUSINESS SUPPORTS LABOR'S CLAIM TO SOCIAL WELFARE FUNDS

Buenos Aires SOMOS in Spanish 15 Feb 85 p 14

[Article by Julio Vargas, Luis de Victoria and Enrique Moretti: "Get to Work"; passages enclosed in slantlines printed in italics]

[Text] Control of \$2.5 billion per year is **at stake**. It is the first figure--and only basic figure--that must be kept in mind in order to understand the origins, reasons and projections of the long and hard debate about /the topic of social welfare/. This debate appears daily in the more or less important news items on the agreement. This \$2.5 billion is the approximate amount of contributions from workers and management for medical and welfare benefits. It is 7.5 percent of the wages. This constituted a good part of the so-called /union power/ that ruled in the last days of Isabel. The Process destroyed it by repealing Law 18.610 and this now constitutes the /epicenter/ of an argument--rather, an element of pressure--between unionists, management and the government. What is now at stake is management of that system. Some want to take it away from the unions and have it remain under government control so that the past is not repeated. Others, the unionists, demand control without government interference, alluding to historic rights and /social reasons/. There are still /others/, management, who surprised people Monday, 11 February, by changing its support toward unionism. Its only explanation was that, between the government and the labor representatives, it simply /preferred/ the latter. The CGT [General Confederation of Labor] came out strong. Its spokesmen said: "We were alone in defense of the traditional social welfare system. Now the government is opposed by the entire production sector." They added: "It cannot transfer the cost of the crisis without giving up power." They explained that the government had to agree to their demands because they, the leaders, stop their workers facing the very high cost of living. Now government hardliners (those who denounce corporative projects) and softies (those who want to negotiate) will have to find formulas to bring to the negotiating table with the workers and management. It is already known that Alfonsin will be /the great mediator/. When the final bill reaches Congress, the Peronists and the UCR [Radical Civic Union] will play the second half of the game that began with the frustrated union law.

In the midst of this conflict of interests between the pre-election promises of the UCR and the current demands of the Peronist leadership--that has almost all the union system under its control--comes the minister of public health

and social action, Dr Aldo Neri, who wrote the government bill on social welfare. He has expressed all the angles of the conflict most clearly. He is the one who has stressed the need to "make as compatible as possible" the opposing positions, emphasizing that the government cannot forget its commitments to the country. To him, the social welfare "must constitute independent institutions of the unions and must be governed jointly by the state and the labor leaders." His bill on National Health Insurance presented at the negotiating table can be summarized as follows:

Social welfare, like the public and private health sectors, are parts of a whole, not independent or isolated sectors.

The state assumes the undelegatable function as general leader of the system at the same time that it affirms the active participation of intermediate associations in the direct management of the services.

In order to consolidate the system, all the national social welfare and the private lenders who want to participate must be included in the National Health Insurance.

Social welfare as entities of National Health Insurance will have legal identity and will be differentiated from the central state administration, the enterprises and the unions.

Direct management of social welfare must be based on Article 14 of the National Constitution. It will be administered by the beneficiaries with state participation.

The unions answer: "The government bill tries to take social welfare away from the unions which are its authentic owners. It wants to convert it merely into financial entities for curing disease. This is the position of the CGT."

And management?...It already played its card in favor of unionism, making it clear that social welfare is a marginal topic for the sector facing serious problems of negotiation like wages and prices. A lot is at stake. Therefore, it does not matter how long the discussions take.

7717

CSO: 3348/421

ARGENTINA

MILITARY PRESENCE IN MOON SECT-SPONSORED MEETING ASSAILED

Buenos Aires LA VOZ in Spanish 22 Feb 85 p 8

[Text] Latin American Argentine Unity (UALA), an entity including civilians and both officers and petty officers of the Armed Forces, has voiced its most energetic repudiation for the "meeting of military from various countries called by the Moon sect in the city of Paris, where the effectiveness of the sinister National Security Doctrine was reaffirmed, and at which conspicuous representatives of the dictatorship which devastated the country since 1976 participated."

In a press release distributed yesterday, UALA requested the national authorities to "investigate the supposed prior authorization or knowledge on the part of the military commands of the participation by Argentine military in the aforementioned event," and that they "ratify the policy of non-intervention in the internal affairs of fellow nations with which we are joined by diplomatic, economic and cultural bonds."

It also called for "an investigation of the relations that may exist between certain military commanders and alien sects or associations serving international purposes and allowed to attack our legitimate religious structures."

The communique, signed by the former midshipman (IMARA) Julio Cesar Urien (h) and former ship lieutenant (ARA) Carlos Schroeter, reaffirms "its desire to fight for the definitive independence of our continent, in the course of the historic North-South confrontation."

It concludes: "Consequently, it is of the opinion that manifestations in favor of alliances with NATO, which was directly responsible for the deaths of a thousand patriots in the South Atlantic, constitute a crime of treason."

With regard to this issue, it should be recalled that the national deputy representing the Intransigent Party (PI), Raul Rabanaque Caballero, submitted to the Lower Chamber a draft resolution expressing "the most energetic repudiation of the presence and participation of six high-ranking officers of the Armed Forces (...) in a so-called 'anticommunist' congress organized by the Moon sect."

2909

CSO: 3348/448



ARGENTINA

SOMOS SURVEY REVEALS 56 PERCENT FEAR MILITARY COUP

Buenos Aires SOMOS in Spanish 1 Mar 85 pp 6-11

[Article by Tabare Areas: "What To Do With the Military?"]

[Text] The trial of the former commanders has brought up again (both among the authorities and for ordinary people) a question that has spread in Argentine society during recent years: what to do with the military? The crucial question has more than one answer, and also several aspects from which it may be considered. A check of opinion made by SOMOS and A & C has disclosed that 58 percent of the population thinks that the Armed Forces should "be moderately armed," and 22 percent think that they "should disappear." Moreover, the study revealed that 56 percent believe that the military "may carry out another coup," while 36 percent think that "they could not do so."

The study was made on the basis of a representative sample of 400 individuals in the Federal Capital and Greater Buenos Aires, upholding the population parameters shown by the latest census. The measurement system is the same one that enabled SOMOS and A & C to predict Raul Alfonsin's electoral victory in the 1983 elections before any other news medium, and the poll has a national projection.

Although the 22 percent who think that the Armed Forces "should disappear" are not a majority, the index is significant, and may reflect the mood left among the population by the aftermath of the antirsubversive battle and the Malvinas war. The analysts estimate that this categorical opinion regarding the role of the military has not been formed merely by the professional defeat in the Malvinas, but essentially as a result of the political and economic failure of the plan sponsored by the Armed Forces. The 58 percent who uphold the notion that "they should be moderately armed" may reflect the large moderate fringe which, despite what has happened during the past few years, cannot visualize a country without Armed Forces, or consider it impossible.

It is usually claimed (the argument was used persistently in the campaign for the people's consultation concerning the treaty with Chile) that women, based on their maternal role, have always espoused the cause of peace. Nevertheless, the poll disclosed that there are no major differences in the convictions of men and women: 59 percent of the female replies expressed the view that "they should be moderately armed" (as opposed to 57 percent of

the males); and 23 percent claimed that "they should disappear" (in contrast to 22 percent of the men). When it was asked whether "they should be armed more," 5 percent of the women answered "yes," an index that increased to 8 percent among the men.

Esther Kaplan, direction of A & C Public Opinion, gave the interpretation that, "Most Argentines are still on the lookout for a presumed external or internal enemy, whom the military might confront; although this position is in contradiction to the proposal that they should be armed more. Signs of the Armed Forces' inoperativeness are discernible among those who claim that 'they should disappear.' The force of persuasion among the men would appear to be gathering strength, but the time for disarmament has not yet come."

The critical point regarding whether or not the Armed Forces should disappear has a curious feature. The field work showed that the response "they should disappear" was greater the lower the level of schooling. For example, among those attending universities, it was 17 percent, among secondary school graduates, it was 22 percent; and among those with only elementary schooling, it was 23 percent.

The poll touched upon another critical point: the manner in which the government is handling the military issue, viewed clearly: 38 percent of the population thinks that the government is handling the issue "fairly well," 23 percent, "well," and 12 percent "very well." Those of the opinion that it is being handled "badly" total 21 percent, and 16 percent "don't know." A more careful analysis shows that the positive figures nearly equal the negative ones; and hence it could be claimed that the population has divided positions when it is time to rate the official handling of the issue. Based on educational level, the sampling indicates that those with a lower level of schooling are the ones who most describe the government's handling as "bad." The university graduates comprise the largest percentages answering "fairly well" (44), "well" (28) and "very well" (2); while the elementary school graduates make up the largest "negative" percentages.

There are analysts who interpret this conduct by claiming that, among those with the highest educational levels there is also greater understanding of how difficult it is for the civilian government to deal with the military authorities without causing irritated reactions or conflicts which, when exploited politically, end up causing even greater headaches.

The position that the common man in present-day Argentina holds toward the military bears a close relationship to what happened during the anti-subversive repression. Ascertaining whether that man blames "all" the Armed Forces or only "its top echelons" for the excesses that were committed is, in the final analysis, a valid parameter for learning whether the population is "against" the military institution or only "against the commanders" who acted during the process. With this context, the work done by the pollsters disclosed that 50 percent think that the blame for the excesses lies with the "top echelon," 37 percent, with "all" the Armed Forces, and 13 percent, gave "other" answers. Esther Kaplan thinks: "The majority are inclined to

preserve the institution of the Armed Forces, assigning the bulk of the blame only to the top echelon; although a considerable percentage blames 'all' the military forces."

The highest percentage of those placing the blame on the top echelon is found among university graduates (63 percent), and the lowest among those with elementary schooling. This latter sector has the highest percentage (39 percent) of those who claim that "all" the forces are to blame. The director of A & C Public Opinion expressed the view that, "If we assume that those with the highest educational level are the ones leading the society, and those on a lower level are the ones who obey orders, and we think that the higher the level the more questioning of the top echelon, and the lower the level the more blame is placed on all the forces, all the social sectors feel that they are to blame. The fact is that the likely social leader blames the top echelon, and the likely governed person blames the one obeying orders."

The field work revealed that 56 percent of the population believes that the military "would be willing" to carry out another coup d'etat, while 36 percent "believe the opposite." When it is time to explain the reason for this fear, 62 percent reply "because the military are very ambitious," 32 percent, "because the government is weak toward them," 25 percent, "because the population is dissatisfied with the government," 7 percent, "because democracy is of no use," and 4 percent give other responses. Kaplan explains: "Of the 56 percent who cited the possibility of another coup, the majority think that it is because of the 'ambition of the military.' This position denotes impotence, which those holding it do not recognize; the blame ultimately lies with the others. When the data are considered on the basis of schooling level, the large proportion of the population with elementary schooling who consider the dissatisfaction with the government to be the reason for a potential coup stands out."

In any event, these figures indicate a tendency of the population's views on the controversial military issue, and clearly show that the debate that has opened in the Argentine society regarding "what to do" with the Armed Forces still has a long way to go.

#### The Government

The largest percentage of opinion (38 percent) claims that the government is handling the military issue "fairly well." Those with a lower educational level are the ones who most question the government's leadership. The 16 percent who claim that they "don't know," or have no opinion on the subject, is significant.

### Chart 1.

How is the government handling the Armed Forces?

Fairly well: 38%                      Badly: 21%  
Well: 23%                              Don't know: 16%  
Very well: 2%

Opinion	According to Educational Level		
	University	Secondary	Elementary
Very well	2%	2%	2%
Well	28%	27%	20%
Fairly well	44%	38%	36%
Badly	15%	18%	25%
Don't know	11%	15%	17%

### Chart 2

The Future

There is a significant margin between the 22 percent who think that they "should be armed moderately" and the 22 percent who claim that they "should disappear." There are no major differences between men and women on the issue, although there are some among those polled with varying levels of schooling.

What should be done with the Armed Forces?

Armed more: 7%                      Don't know: 3%  
Armed moderately: 58%  
Disappear: 22%  
Other: 10%

Opinion	According to Sex		According to Educational Level		
	Men	Women	University	Secondary	Elementary
Armed more:	5%	8%	9%	7%	6%
Armed moderately:	59%	57%	61%	60%	57%
Disappear:	23%	22%	17%	22%	23%
Other:	9%	11%	11%	10%	9%
Don't know:	4%	2%	2%	1%	5%

### Chart 3

The Blame

The opinions are polarized: 50 percent think that the blame for the anti-subversive excesses does not lie with the institution, but rather with the top echelons. In a way, this affirms the government's position. Those with less schooling are more inclined to question all the forces.

Who is to blame for the excesses of the anti-subversive repression?

The Armed Forces top echelon: 50%

All the Armed Forces: 37%

Other: 13%

Opinion	According to Educational Level		
	University	Secondary	Elementary
All the Armed Forces	30%	37%	39%
The Armed Forces top echelon	63%	50%	47%
Other	7%	13%	14%

Chart 4

#### The Fears

Whether surprising or not, the fact is that most of those polled believe in the possibility of a coup d'etat. In the opinion poll, 56 percent thought that the military might take over the government again; 36 percent thought "not"; and 8 percent "don't know."

When the responses are gauged, depending on the degree of schooling, those on the university level seem to be the ones least fearful of a coup, because 44 percent opted for "yes," whereas that index totaled 58 percent among those with secondary education and 55 percent among those on the elementary level. When the opinion poll probed the reasons that might prompt another invasion by the military into public life, the answer "because they are very ambitious" clearly stood out over the rest (62 percent), followed by the response "the government is weak toward the military" (32 percent).

Among the responses as to why they would not be willing to carry out another coup, the argument that "the people would not let them" attained the greatest consensus (46 percent), and the odd answer "because those who are powerful are on the side of the government" received 5 percent. It is also strange that 29 percent thought that there would "not" be any military coup, because the military "lack political support" and that 12 percent preclude the possibility of a coup because "they lack trade union support." Those with university education are a majority among those who claim that the military lack political support.

A. Are the Armed Forces willing to carry out another coup d'etat?

Yes: 56%

No: 36%

Don't know: 8%

Opinion	According to Educational Level		
	University	Secondary	Elementary
Yes	44%	58%	55%
No	50%	34%	34%
Don't know	6%	8%	11%

B. Why would the Armed Forces be willing to carry out another coup d'etat?

The government is weak toward the military: 32%  
 The population is dissatisfied with the government: 25%  
 Democracy is of no use: 7%  
 The military are very ambitious: 62%  
 Other: 4%

Opinion	According to Educational Level		
	University	Secondary	Elementary
The government is weak toward the military	30%	33%	34%
The population is dissatisfied with the government	10%	19%	31%
Democracy is of no use	15%	5%	8%
The military are very ambitious	60%	69%	56%
Other	10%		4%

C. Why wouldn't the Armed Forces be willing to carry out another coup d'etat?

The people would not let them: 46%  
 The government would not let them: 18%  
 The military have learned their lesson: 27%  
 Those who are powerful are on the side of the government: 5%  
 They lack political support: 29%  
 They lack trade union support: 12%  
 Other: 5%

Opinion	According to Educational Level		
	University	Secondary	Elementary
The people would not let them	22%	49%	52%
The government would not let them	22%	20%	16%
The military have learned their lesson	30%	24%	29%
Those who are powerful are on the side of the government	4%	6%	4%
They lack political support	39%	30%	25%
They lack trade union support	17%	7%	14%
Other	9%	5%	4%

Why It Was Done

At the end of last year, the following rumor circulated: In certain government circles, there were plans to submit to a "referendum", as in the case of the Beagle, the issue of military excesses in the anti-subversive battle. In other words, there was a notion of asking "what to do with the military." An article in LA NACION gave a reminder that Angel Federico Robledo (now Alfonsín's adviser) had had a similar notion when he was a Justicialist candidate. That

story, and the timeliness that the military issue has assumed owing to the trial of the former commanders prompted SOMOS not only to take the poll, but also to talk with Robledo in order to learn what had become of that notion.

"I think that the topic of the plebiscite has lost timeliness, because of the progress made in the trials of both certain guerrillas (Firmenich, for example) and the military charged with repression," he notes.

"At the time, the mechanism was proposed by me to be implemented as soon as the new government took office, so that it would serve as the platform for public opinion, expressly sought, which would decide on an issue of such magnitude and significance that it warranted a direct pronouncement from the people.

"Since then, there has been a proliferation of proceedings and events that have made the plebiscite inadvisable, in view of the fact that it might appear to be a platform tending to hamper or impede judicial pronouncements in cases wherein the competent authorities are already intervening."

2909

CSO: 3348/448

ARGENTINA

BRIEFS

AIR FORCE APPOINTMENTS--Buenos Aires, 5 Feb (TELAM)--Today, the commander of the Air Force air regions, Brigadier General Roberto Camblor, installed Colonel Hector Panzardi as commander of the 1st Air Brigade of El Palomar; Colonel Hector Destri as commander of the 5th Air Brigade of Villa Reynolds in San Luis; Colonel Knud Erik Andreasen as commander of the 6th Air Brigade of Tandil; Colonel Idelio Juan Bruno as commander of the 7th Air Brigade of Moron; Colonel Juan Carlos Cabarreted as commander of the 8th Air Brigade of Jose C. Paz; and Colonel Alberto Ferraris as commander of the 10th Air Brigade of Rio Gallegos. In another ceremony, Air Region Chief Brigadier General Roberto Ventura installed Colonel Lorenzo Anastasio as commander of the Central Air Region with headquarters in Ezeiza. [Summary] [Buenos Aires TELAM in Spanish 2122 GMT 5 Feb 85 PY]

NAVY VESSELS FOR SALE--The Executive Branch has ordered that three Navy destroyers--the "Bouchard," "Py," and "Piedra Buena"--and the tanker "Punta Medanos" be put out of service and offered for sale because they are obsolete. [Summary] [Buenos Aires Domestic Service in Spanish 1600 GMT 26 Feb 85 PY]

CSO: 3348/464



BRAZIL

## EXPANSION IN PLANTING AREAS FOR 1984/1985 CROPS; PROJECTIONS

### Increased Crop Areas

Sao Paulo GAZETA MERCANTIL in Portuguese 12 Feb 85 p 20

[Article by Vera Brandimarte: "Increased Area Planted to Cotton, Soy and Other Beans in 1985"]

[Text] Brasilia--Despite the decline in productivity in Mato Grosso do Sul and Sao Paulo, the Center-South will harvest a supercrop of cotton this year, surpassing that last year by 40 percent. This excellent development of cotton growing has already been practically guaranteed, according to the harvest survey results released yesterday by the Production Financing Commission (CFP).

This assessment was made during the last week of January, and some important data, such as the effects of the drought in Rio Grande do Sul on the corn and soybean crops, have not as yet been included in the figures, which indicate production totaling 44.7 million tons as compared to 43.3 million tons for 1983-1984 for the seven summer season crops. However, the area figures for this summer season can now be regarded as conclusive.

The measures limiting the cost credit volume did not in fact in the end affect very negatively the decisions of the rural producers on area planted. However the area cannot be expanded as the Ministry of Agriculture wanted, either. The increase of 1 percent in the crop harvest area for the summer of 1984-1985 was due basically to an increase in the cultivated area of cotton, beans and soybeans.

The cotton area increased by 46 percent over the preceding year, mainly in Sao Paulo and Parana, states in which the producers obtained good results in marketing the product in 1984. Production is expected to increase from 483,000 tons to 678,400 tons this year. Of this total, 60 percent will already be harvested by the end of March. The pressure exerted by this heavy production sent to the market is not more catastrophic in terms of the price balance only because the state of Sao Paulo, with 366,000 hectares planted, had a decline of 18 percent in productivity in comparison to the preceding year.

The first peanut crop, already in the final harvesting stage, was up 36 percent, both in terms of area planted and production, over last year's

performance. In response to the encouragement provided by good minimum prices for the product, producers will supply 218,000 tons of peanuts this year as compared to 159,900 during the 1983-1984 harvest.

The Central states made a decisive contribution to the better soybean cultivation results. The area planted increased by 4 percent, although the South region has reduced planting. In Goias, the harvest estimates indicate a 10 percent increase in cultivated area, with 35 percent for Mato Grosso and 25 percent for Minas Gerais. Production is estimated at 16,736,900 tons as compared to 15,340,500 during the last harvest. However, the CFP decided not to include the losses in productivity in soybean cultivation in Rio Grande do Sul in this data. This will be assessed in the next harvest survey.

Rio Grande do Sul has the same area planted to rice as for the preceding harvest. On the other hand, a decline in rice cultivation occurred in almost all of the other producer states in the Center-South. The decline in area was 8 percent in Parana, 5 percent in Sao Paulo, 6 percent in Minas Gerais, 20 percent in Mato Grosso and Mato Grosso do Sul, 17 percent in Goias and 58 percent in the Federal District.

#### Monthly Harvest Assessment

Center-South Region				1984/1985 Harvest			February 1985		
Product	Area (1,000 hectares)			Production (1,000 tons)			Yield (kg/hectare)		
	Assessment			Assessment			Assessment		
	Preceding Dec 84	Current Feb	%	Preceding Dec 84	Current Feb	%	Preced. Dec 84	Current Feb	%
Cotton*	1.041,0/1.099,0	1.129,0	8/3	633,5/669,3	678,4	7/1	1.700	1.678	-1
Second peanut crop	113,8/119,2	127,1	12/7	180,6/189,5	218,0	21/15	1.589	1.715	8
Rice	3.404,5/3.591,5	3.490,5	3/-3	6.808,1/7.065,7	6.978,7	3/-1	1.983	1.999	1
First bean crop**	1.959,7/2.026,0	1.983,0	1/-2	1.246,4/1.288,2	1.246,3	0/-3	636	628	-1
Castor beans	72,5/73,5	73,0	1/-1	90,6/91,6	91,9	1/0	1.248	1.260	1
Corn	8.835,0/9.080,0	9.031,0	2/-1	18.485,6/18.996,8	18.744,9	1/-1	2.092	2.076	-1
Soybeans**	9.344,0/9.524,0	9.502,0	2/0	16.442,6/16.770,3	16.736,9	2/0	1.760	1.761	0

\* Production in cotton and yield in seeds.

\*\* Including the southern part of Bahia.

#### Production Estimate for the Center-South Region

Product	Harvest (1,000 tons) 1983/1984	83/84 Harvest Estimate (1,000 tons)		Percentage Value	
		Dec 1984	Feb 1985	Feb 83/84	Feb-Dec
Cotton	483,3	633,5/669,3	678,4	40	7/1
First peanut harv.	159,9	180,6/189,5	218,0	36	21/15
Rice	7.154,4	6.808,1/7.065,7	6.978,7	-2	3/-1
First bean harvest	1.058,8	1.246,4/1.288,2	1.246,3	18	0/-3
Castor beans	80,9	90,6/91,6	91,9	14	1/0
Corn	19.018,5	18.485,6/18.996,8	18.744,9	-1	1/-1
Soybeans	15.340,5	16.442,6/16.770,3	16.736,9	9	2/0

## Cocoa Bean Export Estimates

Sao Paulo GAZETA MERCANTIL in Portuguese 12 Feb 85 p 20

[Article by Waldo Nogueira: "Exporters Estimate 500,000-Ton Decline for Cocoa Beans"]

[Text] Salvador--The 1984-85 Brazilian cocoa bean harvest, which ends in April, should come to a total of about 5.2 to 5.3 million sacks. This represents a decline of about 500,000 sacks in comparison to the best harvests, which came to something like 5.8 million sacks, sources in the export sector in Salvador told this newspaper.

These sources believe that the estimates made by the production sector, to the effect that the decline in this year's production of cocoa beans will come to about 1.7 million sacks, are exaggerated. According to these estimates, production would total 4.3 million sacks.

Joao Arthur Pereira de Mello, executive director of the Brazilian Cocoa Bean Exporters Association (ABEC) noted that the estimate of 4.3 million sacks has to do only with the harvest in Bahia, which has not yet been completed.

Furthermore, according to Pereira de Mello, there is a large volume of cocoa beans, about 300,000 sacks, in the hands of the plantation owners and exporters warehouses, awaiting the completion of transactions. The 1984-1985 harvest total then would come to 4.7 million sacks. In addition to this, the already considerable production of Espirito Santo, about 200,000 sacks, and the Amazon region, about 300,000 sacks, cannot be overlooked. Therefore domestic production should come to between 5.2 and 5.3 million sacks.

The prospects for the 1985-1986 cocoa bean harvest, which begins next May, looks better, although it is still too soon to make safe estimates. The potential is for production of about 5.2 million sacks in Bahia and 6.2 to 6.3 million sacks for all of Brazil, the director of the ABEC said.

5157

CSO: 3342/111

3 April 1985

BRAZIL

## TALKS WITH ALGERIA INCLUDE EXCHANGE OF GAS FOR TECHNOLOGY

Sao Paulo GAZETA MERCANTIL in Portuguese 14 Feb 85 p 12

[Article by Maria Helena Tachinardi: "Brazil May Obtain Algerian Gas for Capital Goods"]

[Text] The Figueiredo administration has now practically completed arrangements with the Algerian government for the exchange of 3 million cubic meters of liquefied natural gas per day, valued at \$180 million, against \$200 million in Brazilian capital goods and services annually. The negotiations began a year ago and are now awaiting only the guarantee of the future government. All of the details of this joint operation are in the final completion stage, and were reviewed yesterday at a meeting held in Sao Paulo, with representatives of the work groups in Brazil and Algeria participating.

The Algerian delegation, headed by Cherif Ouabdesselam, of the Ministry of Energy, Chemical and Petrochemical Industries, also included representatives of the Ministries of Transportation and Commerce. On the Brazilian side, the work group was headed by Minister Jose Botafogo Goncalves, international affairs adviser at the Planning Secretariat of the Presidency of the Republic (SEPLAN), and also representatives of the PETROBRAS [Brazilian Petroleum Corporation], Itamaraty Palace, Sao Paulo Electric Powerplants, Inc. (CESP)-COMGAS [Gas Company] and the Brazilian Association for the Development of Basic Industries (ABDIB).

The two groups met yesterday afternoon in a room at the Agency for Energy Applications, a body affiliated with the presidency of energy enterprises in Sao Paulo, after the Algerian group had visited the FEPASA [Sao Paulo Railroad, Inc.] and the Sao Paulo subway. In fact, the package being negotiated with Algeria involves a great potential for Brazil to supply technology and equipment for the Algerian program for modernizing the railroads, building hydroelectric miniplants, rural electrification, housing and the building of cement factories. The five-year plan recently approved by the government of Algeria, a country whose economy depends to the extent of 96 percent on the resale of oil and gas, calls for annual investments of \$13 billion in these projects, regarded as priorities.

## Creating a Market

The Brazilian work group, a representative of it told this newspaper, is now hoping to persuade the new government of the importance of trading Brazilian

products and services for Algerian natural gas for at least 4 years, time enough to establish a real market in Brazil for the gas from Jurua, in the Amazon region, from Santos, Sao Paulo, and from Argentina. All of the countries in which natural gas plays a large role in the energy complex, such as The Netherlands and England, require at least 7 years to develop a gas marketing plan. Brazil is just beginning, our source noted.

Algerian gas will be shipped at \$27 per equivalent barrel of oil (BEP) delivered at the port of Santos and ready for distribution by the Sao Paulo Gas Company.

It will be transported by methane tankers which have been left idle on the international market because of the use of the Siberian gas pipeline, at moderate freight rates. If the new government signs the trade contract with Algeria in this first half of the year, the gas should reach Sao Paulo within a year. Investments of \$40 million will be needed for the building of a pier in Santos and storage tanks, as well as some modifications in the burners at the plants currently being supplied with naphtha gas by COMGAS.

#### Substitution

The Algerian gas, given the volume which is to be supplied to Brazil, will take the place of 21,000 barrels of oil per day, and its use, mainly in industry, will reduce fuel oil consumption and will contribute to a substantial reduction of the pollution in Cubatao. It will also be used to replace liquified petroleum gas (LPG) for residential use and diesel fuel for mass transport. For a certainty, 2.5 million cubic meters will be allocated to the COMGAS network established 10 years ago (it was built between 1970 and 1974, when there was a plan for the purchase of natural gas from Algeria and Bolivia), the handling capacity of which is still not being fully utilized. COMGAS is currently distributing 500,000 cubic meters of naphtha gas per day.

The 3 million cubic meters per day which Algeria is prepared to supply to Brazil presents only 1 percent of that country's production capacity, while for Sao Paulo, it represents 25 percent of its potential market.

Algeria has 45 million cubic meters per day available for placement now, as a result of the commissioning of the Siberian gas pipeline, which is supplying the European countries.

5157

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BRAZIL

# POLL SHOWS PREFERENCE FOR POLITICAL MODEL, ECONOMIC SYSTEM

Sao Paulo ISTOE in Portuguese 6 Feb 85 p 73

[Text] What country has the political model you most admire? And what country has the best economic system? These questions were asked of 2,522 Brazilian citizens by the Gallup Institute, which was founded in the United States in 1935 by journalist George Horace Gallup. And the answers were at the very least curious, revealing as they do that the average citizen is quite conservative. According to the results reported by this best-known public opinion poll institute in the world, the United States leads by a wide margin: 42 percent of those interviewed prefer its political system and 30 percent its economic system. Japan came second, in the economic category, with 21 percent, but recently democratized Argentina was a surprise in the political category, with an honorable second place (11 percent), outranking the leading nations in the world, such as Japan itself, with 8 percent, France (7 percent), West Germany and Great Britain (both with 6 percent) and Sweden (4 percent).

The political system in the Soviet Union, however, is the preference of only 2 percent, and its economic model, that of 4 percent. The Latin American countries in the Soviet sphere placed last: Cuba, with 2 percent, for both systems, and Nicaragua, with 1 percent, also for both systems. The opinion of Brazilian citizens of the Soviet Union is not, however, totally unfavorable, Gallup concluded. Fifteen percent of those interviewed said they have a "very favorable" opinion of it, although this was balanced by another 15 percent who said "very unfavorable."

This balance also prevailed among those interviewed who chose less categorical responses: 24 percent said "more or less" and another 24 percent answered simply "unfavorable." Twenty-two percent did not know how, or did not want, to answer.

This poll, which covers a wide range and was designed to establish a Brazilian view on various current questions, both domestic and international, asked the same question in regard to seven other countries--Japan, the United States, Great Britain, West Germany, France, Argentina and Cuba. Japan obtained a record number of positive answers, with 47 percent of those interviewed giving it an enviable "very favorable" response. Next most popular were the United States, with 35 percent, and Great Britain, with 23 percent. However, Gallup did not offer as alternatives such countries as Portugal,

Spain, Italy, Lebanon or Syria, from each of which Brazil has a tremendous immigrant contingent. This perhaps explains why Japan, the only one of the nations included in the poll from which our country has not received a large number of immigrants, received such a sizeable vote.

Revealing answers were also obtained from the part of the questionnaire devoted to Brazil's relations with other nations. The leading nations are again the United States and Japan, tied this time for first place with 20 percent each of the answers terming their relations with Brazil "excellent." Argentina came next, with 11 percent, closely followed by Germany, with 9 percent. Great Britain had 8 percent and France 6 percent, and only 3 percent took the risk of terming relations with the Soviet Union "excellent." Another 2 percent, perhaps ill-informed passersby, also went so far as to term our relations with Fidel Castro's Cuban regime, with which Brasilia has had no diplomatic relations since 1964, "excellent."

5157

CSO: 3342/111

BRAZIL

# PDS STATE PROFILE IN AFTERMATH OF DEFECTIONS VIEWED

Sao Paulo FOLHA DE SAO PAULO in Portuguese 10 Feb 85 p 12

[Text] An impartial analysis of the state of health of a patient named PDS [Social Democratic Party] indicates that death is not at all as close as might be desired by those who identify the patient with a mixture of support for Maluf, authoritarianism and the Northeast oligarchies. There has in fact been a substantial erosion of the heavy regional cadres, and the PDS sector could be characterized today by a pair of contrasts.

First, the simultaneous existence of a Rio Grande do Norte regional executive board (abandoned by former governor Tarcisio Maia, who left its presidency to join the Liberal Front Party (PFL), being replaced by businessman Reginaldo Teofilo, who had never served in an elective post), and resistance to the party machinery in Rio Grande do Sul, where the rout was practically limited to Senator Carlos Alberto Chiarelli.

The second contrast: of the 26 deputies in the Legislative Assembly in Pernambuco, only four will remain in the party, while in Minas Gerais, 22 state deputies are going over to the PFL, along with 14 federal deputies and at least seven of the Belo Horizonte municipal councilmen. But the PDS will have between 160 and 170 representatives in the Chamber of Deputies, the second largest bench, only exceeded by that of the PMDB [Brazilian Democratic Movement Party], and, also this week, in a scene which would have been unthinkable before the meeting of the Electoral College, the protagonists were ultra-pro-Maluf supporter Armando Pinheiro, and Maluf opponent Nelson Marchezan, seated side by side and, what is more extraordinary, speaking the same language.

Like so many hundreds of other PDS members, they saw that from the time of the Tancredo Neves victory, the PDS official ceased to be an unworkable machine and was in a position to garner second place among the six Brazilian groups today (including the PFL).

Generally speaking, however, each case is individual. The law prohibits any citizen holding a legislative seat from leaving his party to join another already in existence. It is for this reason that, if it is possible to assess the damage caused by the drainoff toward the PFL still in the process of development, this arithmetic is much more difficult when it comes to the prefects in the interior. In Sao Paulo, for example, tens of individuals are



preparing to join the PMDB, while Adhemar de Barros Filho's PDT [Democratic Workers Party] will draw the old and new supporters of Adhemar de Barros Filho away from the PDS. According to the files of the state PDT organization, these categories cover 141 of the 238 majority groups in the municipalities in which the PDS won the 1982 elections.

Such prospects are not even a little bit optimistic. But no generalizations are possible. Senator Amaral Peixoto himself commented this week that only as time passes will conditions develop for a precise X-ray of the current outline of the party he heads. He knows that the survivor of the Maluf defeat will not remain on board out of ideological loyalty to the 1964 scheme of ideas.

Let us examine the status of the PDS in each of the states in detail.

#### Sao Paulo

"We must find a midpoint between the PDS with Maluf, but not a PDS of Maluf alone," the bionic Senator Amaral Furlan, 60, admits. He is much more subtle than his colleague on the Regional Executive Board, former deputy Joao Paulo Arruda, 45. In the view of the latter "the PDS will sink with Maluf, but it will also sink if he departs." The fact that the former indirect candidate for the presidency of the republic is a native of Sao Paulo makes the situation of the party in Sao Paulo unusual. Theoretically, the PDS still has its structure almost intact. Its losses to the PDT come to only five of the 22 state deputies, four of the 17 federal deputies, and just one prefect--David Moura Filho, of Itapira.

But the end of Maluf's presidential aspirations is reflected in less perceptible forms of erosion, such as the five of the 56 Sao Paulo district officers whom former vice governor Jose Maria Marin took with him to the PFL. The PDT, in turn, estimates that it drained off between 35 and 40 percent of its new members from the PDS in the interior. With Maluf on vacation in Paris, his lieutenant, Calim Eid, convoked a "PDS meeting" in Barra Bonita, of which, curiously enough, the party leadership had no knowledge. The president of the Regional Executive Board, Deputy Cunha Bueno, is also abroad (China). His colleagues in the party leadership are trying to contact those who are not Maluf supporters in order to rebuild a PDS less clearly marked by the former governor.

#### Parana

Of the 14 deputies on the federal bench, eight have gone over to the PFL. Former governor Paulo Pimentel, who is still officially president of the board of directors, has one foot over the threshold (in the PTB [Brazilian Labor Party]) and one still inside. His name has been mentioned as a candidate for the gubernatorial post in 1986, but the lack of reaction discouraged the survivors of the Maluf storm. Nei Braga, also a former governor, is now a member of the Liberal Front Party.

## Santa Catarina

At first glance the damage is limited, since only three of the eight federal deputies went with Senator Jorge Bornhausen, 47, to the Front. But as a result of the lack of definition on the part of Governor Esperidiao Amin (a "direct elections only" advocate who neither supported Maluf nor the dissident faction of his party), the PDS is losing the prefecture of Florianopolis, the majority in the municipal chamber and the state legislative branch to the PFL-PMDB coalition. The prefectures of Sao Jose and Lages, the only two for municipalities with more than 25,000 inhabitants, now have prefects who are joining the PFL.

## Rio Grande do Sul

Governor Jair Soares has taken some steps in the direction of the PFL, which Senator Carlos Alberto Chiarelli has already joined. Jair Soares shares command of the PDS with Governor Nelson Marchezan, and the losses have now been reduced to only four of the 23 state deputies. Despite the rivalry of the PMDB and the PDT, the PDS has not yet lost a prefect.

## Mato Grosso do Sul

The federal bench elected in 1982 had four deputies. One of them, Saulo Queiroz, was one of the founders of the Liberal Front, which will certainly win the support of Levy Dias. Albino Coimbra and Ubaldo Barem will remain in the party--a 50-50 score.

## Mato Grosso and Minas Gerais

Senator Benedito Canellas is the only parliamentarian to leave the party, in which Deputies Bento Porto, Cristino Cortes, Jonas Pinheiro and Macao Tadano remain. Governor Julio Campos, a Maluf supporter, will continue in the PDS.

Vice President Aureliano Chaves and his present-day comrades in the PFL, such as Francelino Pereira and Bias Fortes, have already won over 14 federal deputies, 22 state deputies and seven of the eight Belo Horizonte municipal councilmen. The present governor, Helio Garcia, and Tancredo Neves himself served in part as agents of this departure, and are thought to be encouraging such bosses as former governor Magalhaes Pinto to remain in the PDS.

The PFL is now seeking to gain control of 350 prefectures which the PDS won in 1982 (there are 712 municipalities in the state), thus making the task of Abi Ackel and Murilo Badaro, still serving as ministers, and the Andrada family, in rebuilding the party, more difficult.

## Rio de Janeiro

With Brizola's PDT strong and the PMDB likewise, the PDS was only the third party in this state. It continues to be. A single federal deputy, Alvaro Vale, left its bench for the PFL. Wilmar Pallis did the same thing, but he also left the Front and has no party affiliation now. Wellington Moreira

Franco, the PDS candidate for the state government in 1982, is also "in between" parties. Senator Amaral Peixoto has not yet shown he has the capacity to reestablish cohesion. Of the 14 federal deputies in the party, it is only definite that eight will remain, for example Maluf supporters Amaral Neto and Eduardo Galil.

#### Espirito Santo and Bahia

Of the four PDS federal deputies, one, Stelio Dias, has already gone over to the PFL, setting an example which is likely to be followed by Teodorico Ferraco. Jose Carlos Fonseca and Pedro Ceolim will remain in the party.

The situation is most unclear insofar as the party direction of former governor Antonio Carlos Magalhaes, to whom Governor Joao Durval owes his post, is not established. If he does not become a minister--his appointment is that most likely for the communications post--Magalhaes will remain in the PDS. If he departs, he will take with him 10 or so federal deputies. If he remains, however, he will force two other former governors (Luiz Viana and Lomanto Junior) to seek shelter under a new party umbrella. Only four federal deputies have formally joined the PFL to date.

#### Sergipe and Alagoas

The picture depends on the decision made by Governor Joao Alves, still in the PDS, along with Senator Passos Porto (the other senator, Albano Franco, went over to the PFL), five federal deputies, 11 state deputies, 12 of the 13 aldermen in the Aracaju Chamber and the prefects of 62 of the 74 municipalities in the state. If he leaves the PDS, the governor will break with Augusto Franco, the father of Albano, who wants to succeed him in 1986. If Albano Franco returns to the PDS, Joao Alves would assume control of the PFL and convert it into the leading political force in the state, taking with him Senator Lourival Batista, two federal deputies, 10 state deputies and, according to his advisers, 38 prefectures.

Governor Divaldo Suruagy and the three senators, Luiz Cavalcante, Carlos Lyra and Guilherme Palmeira, have already gone over to the PFL. They were accompanied by Jose Thomas Nono, a candidate for the state government, from the federal bench. He will have to face Fernando Collor, one of the three PDS members who voted for Maluf, and who will remain in the PDS. Of these three, Geraldo Bulhoes will move to the PMDB. Suruagy was elected in 1982 with 81 PDS prefects, and he now believes he will take at least 60 with him.

#### Pernambuco and Paraiba

Jaime Nehaim, 53, a state deputy and president of what remains of the PDS, admits openly that he cannot make anything more of the formerly great party of this state than the third place group among the political forces. In fact, just like Aureliano Chaves in Minas Gerais, the PDS in Pernambuco had Governor Roberto Magalhaes and Senator Marco Maciel as driving forces in its dissident effort. Of the 14 federal deputies, only six are remaining in the party. In the Legislative Assembly, the PDS bench with its 28 members will be reduced in

the best of cases to four, while 130 of the 167 PDS prefects are also expected to change parties. With municipal politics very often divided between PDS-1 and PDS-2 (subgroups), it is probable that the former government party will reorganize on the structural basis of the politicians who were not elected in 1982.

Tarcisio Buriti, 46, former governor and PDS federal deputy, has gone over to the Liberal Front, from which he is seeking to block the entry of the current governor, Wilson Braga, 53, who was left isolated in the Northeast with his support to the end of the candidacy of Paulo Maluf. Braga went so far as to urge the governors of Alagoas and Piaui to intervene with the national officers of the PFL to obtain his visa for departure from the PDS. Pressure was exerted on him to remain in the party he did not want to support by Deputy Ernani Satiro, 74, who said realistically that "there is no advantage in supporting the government of Tancredo Neves, because those who come in at the last minute will receive no reward."

#### Rio Grande do Norte

Two federal deputies, 10 state deputies, the prefect of Natal and six city councilmen in this state capital accompanied Governor Jose Agripino Maia in transferring to the PFL. State politics cannot be understood, however, without a brief explanation of the role of the Maia family. Former governor Lavosier stayed within the PDS. It is thus predictable that the PDS and the PFL will join forces to prevent former governor Aluizio Alves, who controls the PMDB, from winning power.

#### Ceara and Piaui

Former governor Adaauto Bezerra has not yet clarified his position. Luiz Gonzaga Mota, the present governor, is a member of the PFL, along with four federal deputies and a senator. One of the deputies who effected the party exodus, Paulo Lustosa, may perhaps return to the PDS, which still has 12 seats in the Chamber including that of Flavio Marcilio, a candidate for Maluf's deputy, on his slate.

Governor Hugo Napoleao has already won two deputies over to the PFL, and hopes to do the same with three more, leaving the PDS with a single member of the Piaui federal bench, Rüdgero Raulino. Of the two senators still in the PDS, Joao Lobo is arranging to transfer to the new party. The state bench will reflect the extent of this rout.

#### Maranhao

In the home state of Sarney, the vice president-elect, the old PDS is divided, with eight federal deputies and two senators still faithful to it. Sarney is a member of the PMDB, but he will be replaced in the Senate by his substitute, a Front member. Five of the federal deputies, including Sarney's son, are now PFL members.

## Para and Amazonas

Jarbas Passarinho has succeeded in maintaining relative cohesion in the PDS, with the exception perhaps of Senator Aloisio Chaves, who is negotiating with the PFL. The PDS may join Governor Jader Barbalho's PMDB in an attempt to isolate former governor Alacid Nunes.

Gilberto Mestrinho is keeping his promise as a PMDB member to "demolish" the PDS, and is expected to win the support for his party of the last seven PDS prefects in the state. PDS Senator Eunice Michiles has gone over to the Liberal Front, accompanied by three state deputies, including her son, Humberto. Mestrinho is courting the Front members in an effort thus to achieve his presumed goal of controlling both parties.

## Goiás

In this state dominated by Governor Iris Rezende's PMDB, the PDS has lost two of its five federal deputies, five of its 13 state deputies, and also seven of its 53 prefects to the Front. Former governor Otavio Lage de Siqueira, 62, heads the PFL group in the state.

## Other States and Territories

The small states in the Northeast and North regions are experiencing situations like those in the larger states. In Rondonia, one senator and two federal deputies have joined the PFL. In Acre, there have been no defections. In Amapa, which does not have a senator because it is a territory, only one of the four federal deputies has joined the PFL, while in Roraima, two of the four deputies have remained in the party and the others transferred to the Front. One of those still in the PDS, Julio Martins, is expected to join the PMDB in order to run for state government office.

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BRAZIL

MAJORITY OPPOSES CONTINUATION OF ANY MINISTER UNDER NEVES

Sao Paulo FOLHA DA SAO PAULO in Portuguese 10 Feb 85 p 5

[Text] The majority of the Brazilian people oppose the continued service of any minister or high official in the Figueiredo government under the new Tancredo Neves government which will be inaugurated this coming 15 March. This is the conclusion made clear by the FOLHA Survey (DataFolha) taken in the early days of February in six Brazilian capitals--Salvador, Curitiba, Belo Horizonte, Porto Alegre, Sao Paulo and Rio.

The majority of those interviewed (67.6 percent) indicated opposition to continued service by such ministers or high officials. The most emphatic responses were obtained in Porto Alegre, where 91.6 percent of those interviewed defended this position. The levels reported in Salvador, Curitiba and Belo Horizonte were lower--52.7 percent, 53.8 percent and 58.5 percent, respectively. Sao Paulo and Rio came nearer the general average, with 69.3 percent and 69.2 percent, respectively.

The number of individuals who had formed no opinion on the matter exceeded the number who favored the possible continuation of some veteran ministers or high officials in all the cities surveyed. It was in Belo Horizonte, with 29.3 percent, and Curitiba, with 31.5 percent, that the highest figures were obtained for "don't know." The largest proportion of those interviewed favoring the idea of continued service in certain posts was found in Salvador, with 27 percent, while the lowest, 2.4 percent, was in Porto Alegre.

Question 1--Would you like any minister or high official in the current government to remain in the Tancredo Neves cabinet?

P.1 -- O (A) SR.(A) GOSTARIA QUE NO MINISTÉRIO DE TANCREDO NEVES PERMANECESSE ALGUM MINISTRO OU ALTO FUNCIONÁRIO DO ATUAL GOVERNO?							
Capital Category	São Paulo %	Rio de Janeiro %	Belo Horizonte %	Salvador %	Porto Alegre %	Curitiba %	Weighted Average %
Yes	7,5	12,8	12,2	27,0	2,4	14,7	10,8
No	69,3	69,2	58,5	52,7	91,6	53,8	67,6
Don't know	23,2	18,0	29,3	20,3	6,0	31,5	21,6
No interviewed	1000	600	400	300	250	400	2.950

The highest level of opposition to continued service was found in Porto Alegre (91.6 percent).

Question 2--(For those who answered "yes" to Question 1) Who?

Capital	São Paulo (75)	Rio de Janeiro (77)	Belo Horizonte (49)	Salvador (81)	Curitiba (59)	Porto Alegre (6)
	%	%	%	%	%	*
Aureliano Chaves	9.3	44.1	14.3	34.6	11.9	
Jarbas Passarinho	10.7	3.9	2.0			1
Hélio Beltrão	6.7	7.8	4.1	9.9	6.8	
Francisco Dornelles	4.0	6.5	8.2			
Mário Andréazza	5.3	6.5	8.2	7.4	15.2	2
Delfim Neto	10.7	1.3	4.1		3.4	
Alfredo Karam				18.5	3.4	
Cesar Cals	1.3			14.8	10.1	
Délio Jardim de Mattos	2.7	3.9				
All	9.3					
Inconsistent answers	17.4	2.6		4.9		
Others	16.0	3.9	4.0	8.6	13.6	3
Don't know	26.7	18.2	55.1	25.9	35.6	

\* Absolute figures.

In the sampling, men, high-income level groups and the age groups over 36 showed the highest proportion of negative answers.

Would you like any minister or high official in the present government to continue in the Tancredo Neves cabinet?

(1)										(10)					(14)							
(2)			(3)			Subtotal		TOTAL	(4)			(11)	(12)	(13)	TOTAL	(4)			(5)	(6)	(7)	TOTAL
(4)	(5)	(6)	(7)	(5)	(6)	(7)	(8)	(9)		(4)	(11)	(12)	(13)	*		(4)	(5)	(6)	(7)			
(15)	9.0	9.0	7.0	5.0	5.5	9.0	8.2	6.8	7.5	(15)	9.0	6.1	8.1	7.5		(15)	7.0	7.2	8.0	7.5		
(16)	66.0	75.5	80.5	54.0	64.0	66.5	75.6	63.0	69.3	(16)	56.3	73.2	75.3	69.3		(16)	60.0	69.8	73.5	69.3		
(17)	25.0	15.5	12.5	41.0	30.5	24.5	16.2	30.2	23.2	(17)	34.7	20.7	16.6	23.2		(17)	33.0	23.0	18.5	23.2		
(18)	100	200	200	100	200	200	300	300	1000	(18)	268	423	307	1000		(18)	200	400	400	1000		

Key:

- |                            |  |
|----------------------------|--|
| 1. Sex and age             | 10. Level of family income                   |
| 2. Men                     | 11. Up to two minimum wages, percentage      |
| 3. Women                   | 12. Two-five minimum wages, percentage       |
| 4. Category                | 13. More than five minimum wages, percentage |
| 5. 17 to 19, percentage    | 14. Age group                                |
| 6. 20 to 35, percentage    | 15. Yes                                      |
| 7. 36 and over, percentage | 16. No                                       |
| 8. Men, percentage         | 17. Don't know                               |
| 9. Women, percentage       | 18. Number interviewed                       |

Aureliano Chaves, although from Minas Gerais, has the greatest support in Rio de Janeiro (44.1 percent).

Of the 10.8 percent in favor of continued service by ministers and high officials in the present government under Tancredo Neves, the majority, when asked for a name, mentioned the current vice president, Aureliano Chaves. He was the massive choice in Rio de Janeiro, with a total of 44.1 percent, while the figure for Salvador was 34.6 percent. He was mentioned by fewer individuals in the other cities--14.3 percent in Belo Horizonte, 11.9 percent in Curitiba, and 9.3 percent in Sao Paulo. Minister of Interior Mario Andreazza scored best in Curitiba, with 15.2 percent, as did Minister of Air Delio Jardim de Mattos, with 10.1 percent. In Sao Paulo Delfim Netto and Jarbas Passarinho were each mentioned by 10.7 percent.

It was observed that the older the age group of those interviewed, the greater the percentage opposed to this ideal was. The same was the case with monthly family income levels. In addition to this, a larger proportion of men (75.6 percent) than women (63.0 percent) in Sao Paulo oppose continued service. This is due to the fact that the percentage for "don't know"--30.2 percent--was higher among women than among men (16.2 percent).

In addition to the responses concerning the promises made by candidate Tancredo Neves with regard to change, some of those interviewed had special comments. "The problem is Dornelles, is it not? If he changes his thinking, he can stay." And another: "Even before appointing the cabinet, direct elections should be convoked."

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BRAZIL

# NEVES' POLITICAL PRUDENCE REFLECTED IN CABINET CHOICES

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Feb 85 p 4

[Article by Carlos Chagas: "All Were Expected"]

[Text] Yesterday, the Tancredo Neves cabinet was practically established, or more accurately, almost entirely selected. Already some ministers have been issued direct invitations by the president-elect, for example Olavo Setubal, for Foreign Affairs; Antonio Carlos Magalhaes, for Communications; Aureliano Chaves, for Mines and Energy; Marco Maciel, for Education; Afonso Camargo Netto, for Transportation; Jose Aparecido de Oliveira, for Culture; and Gonzaga Motta, for Interior. Parallel with this, there are new ministers who have not received personal invitations from Tancredo Neves but were sounded out by Ulysses Guimaraes, Franco Montoro and others to establish whether they would accept. In some cases, their names were suggested to the new president by the governor of Sao Paulo and the president of the PMDB [Brazilian Democratic Movement Party]. They are Jose Sayad, for Planning; Roberto Gusmao, for Industry and Commerce; Carlos Santana, for Health; Pedro Simon, for Agriculture; Waldir Pires, for Social Security; and Almir Pazzianotto, for Labor.

There is also one who, although invited to serve, preferred to decline. He is Senator Fernando Henrique Cardoso. He was considered for the Ministry of Foreign Affairs, which he would accept, but in the end Olavo Setubal was the first choice. Personally urged by Tancredo Neves to accept the future Ministry of Science and Technology which is to be established, Fernando Henrique Cardoso refused, preferring to collaborate with the future president in the Senate. Something similar seems to have happened with Thales Ramalho, another choice for Justice, and one of the political leaders closest to Figueiredo's successor. The parliamentarian from Pernambuco is prepared to offer his collaboration in the Congress, and above and beyond that, informally, but without administrative duties, provided Tancredo Neves asks for his help. It is believed, on the other hand, that when the Ministry of Mines and Energy is divided, Renato Archer will be asked to oversee the mining sector. As the Ministry of Interior, which Gonzaga Motta will head, is then to be split in two (regional bodies and social welfare), there will still be a vacancy to be filled by those mentioned above, or others.

It is important to note in these final arrangements for the structure of the cabinet, that Tancredo Neves has once again shown political judgment. He began to select his team of assistants from the members of the Liberal Front

Party (PFL), and even the PDS [Social Democratic Party], knowing that these choices would cause displeasure in the PMDB. With the liberals appointed, however, he opened the doors to his own party. Of the individuals mentioned above, Aureliano Chaves, Olavo Setubal, Gonzaga Motta and Marco Maciel are members of the PFL. Antonio Carlos Magalhaes is a member of the PDS. Joao Sayad, Roberto Gusmao, Carlos Santana, Pedro Simon, Waldir Pires, Almir Pazzianotto, Fernando Lyra, Aluisio Alves, Jose Aparecido de Oliveira and Paulo Brossard are members of the PMDB. Francisco Dornelles and Mauro Salles, who have no party affiliation, as well as the military officers, form another group.

There is a third category, a very special one, of ministers who were not nor did they need to be asked to serve, because they already are ministers. This group includes Francisco Dornelles, in Finance; Fernando Lyra, in the Civilian Household; and Mauro Salles, in a special ministerial post to advise the new president directly in the mass media sector, among others. A fourth category of ministers, obviously without any hierarchy of importance among them--quite the contrary--is the military group. Through Aureliano Chaves, who served as a liaison officer, the following were informed that they will be cabinet members: General Leonidas Pires Goncalves, for Army; Admiral Henrique Saboya, for Navy; Brigadier General Deoclecio Siqueira, for Air; General Ivan de Souza Mendes, for the Military Household; and General Reynaldo Mello de Almeida, for the National Intelligence Service. It is not yet known who the new minister and head of the EMFA [Armed Forces General Staff] will be.

Another group of ministers includes those who have neither been sounded out nor asked to serve, but who will be within a few hours. It includes Aluisio Alves for Land Affairs and Paulo Brossard for Justice. Where the former senator from Rio Grande do Sul is concerned, a slow equation is developing. The president-elect cannot fail to order former senator Afonso Arinos, the great theoretician of institutional reform, consulted first, as he did. If he wanted the post, he would be minister of justice, but as he does not, there was simply a delay until he formally refused, thus rendering homage to him. It will fall to him however to preside over the great commission of jurists which will prepare the draft of the new constitution to be submitted as an aid to the National Constituent Assembly in 1987.

It is further important to note that the cabinet will be made up of all of the forces which supported Tancredo Neves and made his election viable. Initially, his candidacy emerged with the support of a part of the PMDB, promoted and launched by Fernando Lyra, Jose Aparecido de Oliveira, Governor Franco Montoro and others. Then the entire party was won over, with the participation of Ulysses Guimaraes being decisive. Without the liberals in the PDS, however, victory would not have been won, but it was, thanks to the actions of Aureliano Chaves, Jose Sarney, Marco Maciel and others. Then PDS members, such as Antonio Carlos Magalhaes, who preferred not to leave their party, were added. His cabinet, therefore, both in justice and as a way of guaranteeing him a broad parliamentary majority, must be an eclectic one, containing representatives of all of these forces. It would be a party cabinet exclusively, representing the PMDB, if he owed his election to the opposition party alone. He needed everyone and he has included everyone in a cabinet which, if it is not

one of complete national unity, at least reflects the vast majority of the political forces. The PMDB, even its most extremist sectors, has already understood this.

Now, in the very nature of things, there is concern about the second level of the new administration. In the Ministry of Finance, Mailson Nobrega will continue as secretary general, and he will have a new deputy secretary general, Rubens Peliciari. The new head of the Federal Income Department, replacing Francisco Dornelles, will be Luis Romero Paturi. The strong contender for the Bank of Brazil is Camilo Calazans, and for the Federal Economic Fund, Jose Hugo Castello Branco. Elieser Baptista will continue in the Rio Doce Valley Company and Camilo Pena will head SIDERBRAS [Brazilian Iron and Steel, Inc.]. Affonso Celso Pastore is not expected to stay on at the Central Bank.

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BRAZIL

#### PCB PRIORITIES FOR SOCIAL-POLITICAL PACT DEFINED

Sao Paulo VOZ DA UNIDADE in Portuguese 23 Feb - 1 Mar 85, pp 4, 5

[Statement by National Commission for Legal Status of Brazilian Communist Party: "The Communists and Democratic Transition"]

[Text] Meeting in Sao Paulo on February 9 and 10, the National Commission for Legal Status of the PCB [Brazilian Communist Party] analyzed the present political situation and the prospects opening up as the new administration takes office. Taking up issues such as the political-social pact, the stability of democratic transition, and the Constituent Assembly, the document that was released and that is reproduced here in its entirety presents the communist proposals for the situation that is now beginning.

The victorious democratic forces and the Brazilian people have just crossed the frontiers of arbitrariness and emergency provisions. We are now entering a new time: We are moving toward democracy.

The possibilities are great and the challenges facing us are even greater. All of us, Brazilians and patriots, have a role to play.

We communists are linked to the historical berth of the PCB and--through our struggle, our orientation, and our martyrs--contribute to the advance of the political process to the current plateau; we believe that, more than just a right, it is our duty to continue with our task, rallying and committing all forces concerned with the changes the country demands in support of democracy and social progress.

This is why we bring to the workers, to our comrades on this journey, and to society our reflections and proposals for the new situation.

#### End of Dictatorships Cycle

The day of 15 January 1985 is a historical date and marks the defeat of the arbitrary regime which for more than 20 years oppressed the nation. The election of the candidates of Democratic Alliance marks the end of the longest, brutal, and most obscurantist repressive period in our life as a republic.

With the victory of 15 January, forces committed to the democratic proposals take over the central government, opening up new prospects for changes in the government machinery and in the power structure. This is a fundamental fact: Although the bloc of the ruling classes has not yet changed qualitatively, the change recorded in regard to their segments which are moving into the central government is favorable to the democratic and national forces.

The climate of victory which caused the multitudes to crowd into the streets to celebrate expressed the country's great permanent hope.

The struggle for democratic freedoms was the nucleus of our political history over these past 2 decades. During a long and extremely difficult battle, fought day and night against the regime of 1964, we saw the assertion of the rise of the demand-oriented and political awareness of the popular masses and the tendency toward the broadening and strengthening of their organization. At the same time, the spectrum of social and political forces demanding the country's democratization was also enlarged.

In this way, the dictatorship, with its designs for self-reform and its reactionary moves against the election of the candidates of the democratic forces, was defeated. The people can now boost their strength in the mass movements of millions through united action, relying on the value of democracy and the need for the union of all to defend it and consolidate it.

The evolution of the resistance and the fight against the regime of 1964 proved the political correctness of the communists and the relevance of the contribution which they made to the unfolding of the national political process over these past 2 decades. Facing the lack of comprehension on the part of many and the attacks of many others, we continued on the most efficient and shortest road to inflict a profound defeat on the reactionary forces as expressed by the formation of a broad front of democratic forces (which also involves the shift of sectors within the regime toward the opposition camp), in other words, a powerful public opinion and mass movement, leading to the utilization of all legal forms of struggle (including the ballot and the institutional procedures).

#### Transition Period Starting

The victory of the Democratic Alliance and the Inauguration of Tancredo Neves as president of the republic launched a new political process in the country which begins with a period of transition toward a democratic system. Including a first phase, during which it is necessary to eliminate the dictatorial hierarchy left over by the defeated regime and having laid the foundations of a new economic and social policy, the transition will reach its high point with the promulgation of the new Magna Carta by the National Constituent Assembly.

This is a short period of time but it is exceptionally important to the democratic forces and in particular to the working class and the working masses: During that phase will be decided the level of the institutional development of democracy in political life and its influence on the country's economic and social organization.

This period of transition will certainly be characterized by a new dynamism of the popular and democratic voices, especially around their specific demands; and this will inevitably take place in the midst of an intensive political struggle about the changes and the stability of transition.

Given impetus by the political victory and the mobilization of the working masses, the democratic forces will act with new possibilities to open the way the institutional establishment of a broadly democratic political system in Brazil.

Here we could never stress too much the role to be played by the worker and labor union movement: On its organized intervention in political life will to a great extent depend the more profound and faster conquest of this political system. The communists realize that, even in this stage of division within the labor union movement, the potential of their struggle for unity is far from having run out and in the course of this unity struggle, the various democratic currents that operate within it, preserving their own identities, will be able to find ways of agreement that will eliminate the organizational division in the actual practice of the struggles that concern all of those they represent.

The efforts which they will therefore make toward a democratic system will however run into heavy resistance. This will not be an idyllic process without tensions. The reactionary forces at home and abroad, positioned within the defeated bloc, will do everything they can to hinder or reduce to a minimum the profound changes demanded by the overwhelming majority of the nation. At all times and by all means, they will try to divide the victorious forces, to restrict democracy and to destabilize the new administration and the democratic transition process.

On the other hand, there are objective disagreements within the Democratic Alliance and the social segments that support it; this has resulted in a struggle for hegemony during transition, within the Alliance and in the administration, a struggle between the democratic forces that are most in tune with the desires of the people and the sectors that want limited and restricted changes. The organized pressures from the masses and from the most aggressive democratic individuals will be able to neutralize the tendencies of those sectors in terms of allying themselves or getting together with the reactionary forces.

Given their frontist character, the disagreements within the Alliance are understandable and normal. The important thing is to define the direction in which they are to go with precision and in a democratic manner, and the same applies their limitations; the important thing is to ensure the free manifestation of all of them.

Besides, it is necessary to tackle the difficulties that are causing problems in the progress of transition; among these we must single out the following: the weaknesses of the mass movement; the divisions within the worker and labor union movement; the demagogic and subversive or "radical" action of the populist, personalist, and so-called "left-wing" areas; the hegemony of bourgeois currents in the democratic field is the elitist and excluding tradition of the Brazilian ruling classes.

## Communists' Policy for Transition

During this period, the policy of the communists should be directed toward the advance and the in-depth development of democratic transition, fighting to make sure that all of the institutional remnants of the defeated regime are removed and that the ways of democracy and economic and social progress are cleared of all obstacles.

The communists are vigilant and, in the defense of these objectives, which have cost the lives of so many heroes, they will fight side by side all other democrats against the remaining reactionaries of the regime who seek to block changes. A broad democratic front, strengthened by the growing participation of the people, will be the fundamental instrument for the democrats.

It is up to them and to the broad front which became possible upon the defeat of the dictatorship to contribute effectively so that the Tancredo Neves administration will successfully carry out the commitments assumed toward the Brazilian people. The communists therefore will support the new administration in the materialization of these pledges and will defend the stability of transition against any attempt at disturbing it and hindering its culmination in the state of democratic law, without abdicating its right to criticize and to fight against positions that are not in line with the interests of the people and the nation.

The new administration's measures will be in line with the aspirations of the people, of the process of their development and execution and all social and political forces committed to democracy will participate in this. As they mobilize the popular masses and develop the sensitivity and competence needed to attract the greatest possible support to their proposals, the democrats will continue to isolate, more and more and only, the most reactionary sectors.

## Need for Political-Social Pact

The regime's defeat, in terms of institutions, was facilitated by the democratic and oppositionist convergence expressed by the gathering of forces that gave birth to the Democratic Alliance. The document approved by the Alliance--the "Commitment to the Nation"--tacitly fashioned a political pact. Now that the Alliance is victorious, its performance while in power will depend on compliance with the program points covered there. But now it is necessary to explain and detail this pact between the new administration and the concerned political and social forces, so as to facilitate and speed the country's democratization and to get over the economic crisis.

Fully aware of the legacy left by the regime, the objectivity of the crisis, the aspirations for more freedoms and changes on the part of the people, we communists believe that the democratic transition demands more than just a social contract between the administration, business, and the unions of wage-earners. To insure the changes and the stability of the administration and the democratization process, it calls for a political-social contract,

an agreement on the modifications to be made immediately, on the character of these modifications, as well as the procedures to be adopted.

With the participation of the labor unions and the other segments of civilian society in the debates, the pact will have to spring from the discussion and the understanding among all democratic political currents, including of course the communists. Its basic condition can only be the pledge not to penalize the workers or to ignore their legitimate and urgent demands. The clear determination of social and political issues is another requirement, just as is the determination of the mechanisms of discussion and control over their performance, in keeping with the functions of the state and civilian society and the broad autonomy of the forces that are committed to everything else that is not explicitly included in the accord. The urgent need for equality of rights and action among all participants is evident quite by itself.

#### Points for Political-Social Pact

To outline their proposal for the pact covering the period of transition, we communists start with the issues that are in keeping with the interests of democracy and of course primarily the working class, among which we must single out the following: The establishment of an administration with strong political and popular backing; the elimination of the antidemocratic and arbitrary legal provisions inherited from the dictatorship; the institution of constitutional reforms and ordinary laws that provide the institutional foundation for broad democratic liberties throughout the land; the resumption of economic growth along the lines of popular, democratic, and patriotic interests; the deconcentration of income and, specifically, of landed property, featuring the implementation of the agrarian reform; the election, in 1986, of a National Constituent Assembly, free and sovereign; a foreign policy that will be firm in defense of peace and the self-determination of peoples, with the restoration of diplomatic relations with Cuba.

From the viewpoint of the measures that have been listed, we believe that priority should be assigned to those that include issues that can be resolved within a short time frame. In spite of their immediate character, the steps to be adopted in this respect must be consonant with the broad outlines of the structural changes required by the Brazilian people, whose embryo they must constitute.

On the basis of these determinations, we submit to the people and especially to the working masses, for discussion with all forces, currents, movements, and political parties, the following list of points which we believe should guide the political-social pact to be concluded.

#### 1. On the New Administration

It is necessary to constitute a government of broad democratic coalition, capable of promoting the necessary institutional changes and reorienting the economy, overcoming the crisis, without burdening the workers and the working class.



The makeup of this administration must reflect the assembly of the forces that gathered to put the Democratic Alliance together and their names are not a matter of indifference: Their pledges to the proposals for change must be sufficiently explicit so as to strengthen the confidence of the people in the transition process.

## 2. On Doing Away with the Dictatorial Legacy

The removal of the authoritarian rubble which is the heritage taken over from the defeated regime must cover the following:

- (a) Elimination of the dictatorship of the executive branch through the restoration of the prerogatives of the legislative branch and guarantee of autonomy of the judicial branch;
- (b) Democratization of the state, of the direct and indirect public administration, and of their relations with society; decentralization of public administration;
- (c) Restoration of the Federation and of the autonomy of the townships, in financial terms, through a tax reform and, in political terms, through the restoration of direct elections for the prefectures of the capitals, the water-and-mining establishments, and the townships that are considered "national security areas";
- (d) Political autonomy for the Federal District by amending the Constitution in 1985;
- (e) Repeal of the current National Security Law and democratization of the press and censorship laws;
- (f) Immediate democratization of political and party legislation through the elimination, in Article 152 of the current Constitution, of the provisions hindering the free organization of parties and repeal of the Organic Law of Political Parties;
- (g) Reform of election legislation, eliminating the antidemocratic provisions that restrict the eligibility of citizens and prohibit party coalitions; extension of vote to illiterates and privates in the service;
- (h) Termination of the agencies of political repression and reform of the police apparatus to guarantee effective respect for human rights and the security of the citizens;
- (i) Revision of the CLT [Workers Struggle Committee] so as to guarantee freedom and autonomy of labor unions and the right to strike;
- (j) Full implementation of amnesty gained in 1979, to be extended to all those who, after having been punished under emergency provisions, have not yet fully regained their rights which they have been deprived of.

### 3. On Reorganization of Economic Policy

Economic and financial policy must be reoriented in order:

- (a) To promote the resumption of economic growth and the reduction of unemployment;
- (b) To renegotiate the foreign debt so that its payment would not prevent the country's economic and social recovery, nor harm national sovereignty, through a period of grace of 5 years for the payment of interest and a term of 20 years for the payment of the principal;
- (c) To guarantee the recovery of the purchasing power of wage-earners and its quarterly adjustment; extension, to civil servants, of the wage rights gained by the workers in the private sector;
- (d) Restoration of job stability without regard as to the FGTS [Service Time Surety Fund];
- (e) Immediately to launch the agrarian reform so as to deconcentrate income and property;
- (f) To defend the state enterprises against return to private control and to place them in the service of the majority of the population;
- (g) To carry out a bank reform which would be in keeping with the national interest and which would strengthen the state sector;
- (h) To carry out a tax reform which would guarantee the autonomy of the states and townships;
- (i) To carry out a tax reform which would reduce the burden of indirect taxes and which would be heavier on capital gains;
- (j) To pursue a policy of austerity, systematically preventing waste and corruption;
- (l) To give priority to the fight against inflation through price controls and the fight against speculation and financial manipulations;
- (m) To do away with favors for transnational enterprises and to control the remittances of profits abroad;
- (n) To implement a specific development policy for Amazonia and the Northeast;
- (o) Immediately to apply the provisions of the Calmon Law in the field of education;
- (p) To implement a mineral resources policy that would defend the wealth contained in the subsoil;

(q) To reorganize the social welfare system so as to bring it into line with its social goals and to prevent its return to private controls;

(r) To reorient housing policy to take care of the popular demand and to eliminate speculation;

(s) To develop sector and overall policies to preserve the ecosystem.

#### 4. On the 1985 Elections

On the political scene, the restoration of the autonomy of the townships demands that direct elections be held in 1985 for the prefectures of the capitals, the water-and-mineral establishments, and townships considered "national security areas" as well the Federal District.

The new administration must guarantee that these elections will be held without the current constraints that restrict the action of the political parties.

#### 5. On the National Constituent Assembly

The new administration must immediately convene the National Constituent Assembly to be elected in 1986, guaranteeing conditions for the full participation of all political parties and currents existing in the country and full guarantee for their free operations and sovereignty as regards their decisions.

The Great Charter resulting from this must not only consecrate and record the political freedoms that were gained by the Brazilian people, shaping a state of democratic law; it must also, in program terms, be open to the future, outlining possibilities and institutional ways toward social progress.

#### 6. On Foreign Policy

The new administration's foreign policy must be one of nonalignment. It must be in favor of putting an end to the arms race, in favor of peace and a new international economic order, defending the right to the self-determination of peoples and fighting against postures of interference. It must also include the defense of the human and political rights of all citizens.

Its basic principle must be the expansion of diplomatic, trade, and cultural relations with all countries of the world. In this connection, the revival of diplomatic relations with Cuba is a priority.

The implementation of this foreign policy must be so guided as to enhance Brazil's international role, so as to put the country into position as a preferred conversation partner in the dialogs between North and South and between the developed nations and the underdeveloped nations.

## The Communists and the Democratic Front

The Brazilian people's victory over the dictatorial regime and democratic transition have boosted the readiness on the part of the communists to continue their fight for democracy, peace, and socialism. To the extent that they are the fruits of their policy and activities, they create new possibilities for the registration of the PCB and its construction as a strong mass party, intimately linked to the workers and committed to political and party pluralism and to the representative institutions that emerge from popular sovereignty.

The legal existence of the PCB, far from weakening the democratic front, will on the contrary signify a new and positive fact in the dynamics of the broad range of forces that want the establishment, expansion, and stability of democratic institutions and democratic life. Breaking with the logic of exclusions that always characterize the elitism and authoritarianism of Brazilian society, the legal status of the communists in terms of political action through the PCB will give the Brazilian institutional framework a conversation partner who is ideologically defined and historically committed to the great national and popular causes.

On the other hand, democratic transition imposes new demands upon the working class and its labor union movement. United, organized, and mobilized, the workers will be able to rally around themselves all of the democratic and patriotic forces, thus assuming the role in the political process which they must play by virtue of their weight in society and guaranteeing a truly democratic system in the country as well as the economic and social changes that are of real interest to the Brazilian people.

Democratic transition demands as a decisive element the defense and strengthening of the democratic front broadly supported among the masses and their organizations. A broad and solid democratic front is the main political element--from the viewpoint of the communists--capable of moving the country toward democracy and guaranteeing its stability and progress.

At the center of the policy of the communists and the working class we therefore find the task to fight so that democratic transition will not lead to divisions among the people and the democratic forces but, on the contrary, so that it will reinvigorate their unity, consolidate the positions that have been gained, and open up prospects for a sovereign, free, and progressive country.

Sao Paulo, February 1985--National Commission for Legal Status of PCB

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BRAZIL

## CUT THREATENS STRIKE, REJECTS PACT; LULA COMMENTS

### Meneguelli Reiterates Strike Intentions

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 Feb 85 p 6

[Text] Santo Andre, Sao Bernardo do Campo, and Sao Caetano do Sul--"If Dr Tancredo's pact means that we are supposed to bow our heads, we say no, and our experience will serve as an example to all of Brazil," said the chairman of the Sole Union of Metallurgical Workers, Jair Meneguelli, at the meeting of metallurgical workers in Sao Bernardo do Campo last Friday night. He warned: "We will be accused of destabilizing the administration, and it will be charged that our strikes are political. And we are indeed the most highly politicized workers in the country: if we have better wages, it is not because someone thought we were more handsome than others--it is because we won space for ourselves by using the strongest weapon we have: the strike. And this year will be no different."

Sao Paulo metallurgical workers affiliated with the CUT [Sole Central Organization of Workers] are already preparing for possible strikes in March. There were also meetings over the weekend in Santo Andre--attended by over 100 "independent" workers affiliated with the CUT--and in Sao Caetano do Sul, where 300 metallurgical workers connected with the opposition to the union's current board in that city were present. The chairman of the CUT's regional branch in the ABC [the industrial area of Santo Andre, Sao Bernardo do Campo, and Sao Caetano do Sul], Vicente de Paula da Silva, protested in Sao Caetano against the policy of the "generals," whose legacy is unemployment for "17 million Brazilians" and an inflation rate exceeding 200 percent. He continued: "Now here comes Dr Tancredo promising more profits for the bankers, ranchers, and businessmen. And what does he want for the workers? He wants the workers to have patience and to sign and accept the social pact. The workers must understand that nothing is going to change with Dr Tancredo as president. If our demands are not met, we will go on strike."

Meneguelli, who is also chairman of the union in Sao Bernardo, agreed that the employers' associations are not showing a willingness to discuss the chief demands of the metallurgical workers, but he recalled the profits earned by the vehicle assembly firms, chiefly from exports, and the end of the slump in the auto parts industry. He emphasized: "The metallurgical workers are more ready than ever to fight, especially after the examples of last year, when we engaged

in hundreds of strikes in the ABC and won all of them. Moreover, the workers are uneasy about profound changes in the country as announced by Tancredo. And it will be a good test for finding out whether Tancredo is going to change anything--whether he will be on our side or on the side of the employers."

Leaders of all the "independent" unions affiliated with the CUT (Sao Bernardo and Diadema, Santo Andre, Sorocaba, Itu, Campinas, Sao Jose dos Campos, and the opposition in Limeira and Sao Caetano do Sul) are meeting today to formalize a single list of demands marking the start of the campaign for the labor agreement that will take effect on 1 April. Wage increases amounting to 100 percent of the INPC [National Consumer Price Index] (85 percent in April) for everyone, productivity, monthly wage increases (instead of quarterly, as now), an end to overtime, a reduction in the workweek from 48 to 40 hours, 1-year advance notice, holidays at double time, and an enterprise committee in every firm are a few of the demands that will be submitted directly to 17 employers' associations--and no longer to Group 14 of the Federation of Industries.

The metallurgical workers are already organizing plans for "turtle operations" and collecting money at factory gates for a strike fund. Luiz Ignacio Lula da Silva, director of the Sao Bernardo union and chairman of the PT [Workers Party], also spoke at last Friday's meeting: "It does no good for us to keep going out on little strikes for a 2-percent raise in pay when the price of meat, bread, and rice goes up by 120 percent the following month. What we need to do is touch the sore spot. Because of that, we must keep in mind that our fight is political. We must apply pressure, show strength, and dispute Dr Tancredo Neves' economic and social policy."

#### Lula Denies 'Test'

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 Feb 85 p 6

[Text] The national chairman of the PT, Luis Ignacio da Silva, said yesterday in Sao Bernardo do Campo that the wage campaign by metallurgical workers in the ABC "is completely unrelated to the presidential succession." He said that the union's decision to go on strike at this time of the year was a simple and natural fact that "some people are trying to transform into a real sea of blood."

Luis Ignacio referred directly to the report published in yesterday's edition of the JORNAL DA TARDE under the headline "CUT and PT Declare War on Tancredo," considering it part of the "game" that sectors of the media are trying to play: "They want to sell the public a negative image of the wage campaign by the metallurgical workers." According to him, the possibility of a metallurgical strike now is not a test for the new administration, which he feels should not get involved. He explained: "I want to believe that if Tancredo Neves is intelligent, as I imagine he is, he will leave the field open for the two parties to reach agreement."

Even so, he admits that the action can be seen as a test for Tancredo Neves. He said: "We are going to see whether or not he will send out the repressive forces to oppose the strikers." He says, however, that there is no definite date for the start of the strike.

Jair Meneguelli, chairman of the Union of Metallurgical Workers of Sao Bernardo do Campo and chairman of the CUT, also feels that "whether we like it or not," the wage campaign by metallurgical workers will be a "test" for the Tancredo Neves administration. But according to Meneguelli, this does not mean that the metallurgical workers are fostering an action for that purpose. He explains: "It is inevitable that the strike, if there is one, will automatically serve as a test in the sense that we will have the opportunity to see what kind of stand the government will take. So far at least, it has always been favorable to the business class."

For his part, Joao Pires de Vasconcelos, the CUT's secretary for union policy, denied yesterday in Belo Horizonte that the union intends to oppose the social pact that Tancredo Neves will propose. According to him, the union is not even discussing the pact, and he said that its role is solely to negotiate for the benefit of the workers. He also recalled that the executive leadership of the CUT has decided to take the workers' demands to the president-elect. He said: "There is no intention in the CUT to destabilize the Tancredo Neves administration."

3. The chairman of the PT has even sent a telegram to the president-elect congratulating him "on his brilliant victory on 15 January." In that telegram, whose contents were disclosed by Tancredo's advisers, Luiz Ignacio expressed "sincere hope that in your administration, Your Excellency will be able to manage matters usefully for the benefit of the Brazilian people."

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BRAZIL

COPAG FORWARDS ECONOMIC PROPOSALS TO NEVES

Sao Paulo FOLHA DE SAO PAULO in Portuguese 15 Feb 85 p 7

[Text] Brasilia--After 2 months of activity, the Commission for the Governmental Plan of Action (COPAG) sent President-Elect Tancredo Neves 11 documents yesterday which it had drafted to support the economic policy of the future government within the general lines of recovery of economic growth together with a campaign against inflation.

According to economist Jose Serra, the COPAG coordinator, the 11 documents are divided into three groups. The first deals with the macroeconomic problem of the foreign debt, the domestic debt and social security. The second deals with sectorial policy, covering the industrial, agricultural, energy and scientific and technological sectors, while the third deals with poverty, unemployment, hunger and housing.

With a view to attacking the problem of unemployment, the COPAG is proposing that the president-elect implement a program of "employment and supply," based on the fundamental concept that the country needs to be modernized socially. The plan calls for creating 2.6 million new jobs in the course of the next 5 years, in sectors economically linked with the areas in which the greatest social needs are found, to wit food, health, education, housing, sanitation, urban cleanup and transportation. In the view of the COPAG, the new jobs must be generated precisely in these sectors of need, so that there will be an effective response in terms of the supply of basic goods and services. The COPAG employment program includes a plan for basic supply, and is not limited to the goal of resumption of economic growth.

In the view of the COPAG, the resumption of growth does not in itself alone guarantee a solution to the unemployment problem. And, at the same time, the generation of jobs does not guarantee an adequate supply of basic goods and services for the majority of the population. Therefore, what is proposed is to link the generation of jobs with the production of basic goods and services directly.

The "employment and supply" program is based on recognition that economic growth in Brazil has not been enough to guarantee social progress. On the contrary, it has very often even aggravated social problems.



The COPAG employment program is not of an emergency nature, nor is it designed to broaden the "labor fronts." On the contrary, it seeks to correct the distortions in the economy, developing the domestic market and high social demand sectors in order to build a new society free of absolute poverty.

It is a question of stimulating productive labor and not unproductive labor. The idea is to create the largest possible number of direct jobs, leading idle manpower (the unemployed or underemployed) to produce in order to meet social needs.

The proposal is flexible and offers various alternatives to be pursued in terms of government action. There are therefore a number of hypotheses as to the cost of the program. The highest estimate calls for the expenditure of approximately 10 trillion cruzeiros per year (at today's prices) in the course of the next 5 years.

#### Austerity Program

The main concern of the COPAG, Jose Serra stressed, "was to draft a project with its feet on the ground, a realistic one, consistent with an austerity policy calling for economic growth but also the elimination of waste." In his view, the austerity to be imposed on the country by the future president is entirely compatible with the direction proposed by the COPAG, as he believes that it will create a situation of credibility which will suffice for the battle against inflation.

Serra did not go into detail as to the proposal sent to the president-elect pertaining to the domestic debt, the foreign debt, social security and the housing policy, but he gave some explanation pertaining to the measures suggested for the agricultural and industrial sectors, as well as the steps to be taken for combatting hunger and unemployment.

Only the president, Serra said, can comment on the recommendations for resolving the problems of the domestic and foreign debts. However, he did say that a proposal concerning the capitalization of interest, foreign negotiations and a new form of financing the public deficit to balance the domestic debt, calling for unification of the various public budgets, was submitted. The recommendations for reorganizing social security and the BNH [National Housing Bank], he said, are of a temporary nature and involve changes throughout the system to balance the disparity between income and expenditures which has increased the operational deficits of both institutions.

#### Support of Agriculture One of the Goals

Increasing the supply of farm products in the country is an essential task, the coordinator of the COPAG, Jose Serra, said yesterday. The way to achieve this goal, he explained, is to provide the producer with greater resources. The preceding governments had said that agriculture was a priority, but in practice, the reality was different. The supply of foodstuffs has declined year after year, while the population increased. Only an increase in production can eliminate this disparity, Serra added.

He said that he sees no inconsistency between production oriented toward the domestic market and exportable production. It will suffice to encourage the producer rationally in order for the country to succeed in increasing production, to supply both the domestic and the foreign market, which Brazil cannot do without. Serra did not want to specify whether the farm proposal of the COPAG urges continuing subsidies or not. He merely stressed that it urges a larger credit volume as the only way to increase production and reduce inflation.

Serra went on to say that a program for development consistent with the investment needs and an advance in productivity was recommended for the industrial sector. He recalled that the Brazilian industrial policy has been passive, and the COPAG is proposing the reverse, an active policy with the defense of our national assets linked with the need to increase the trade balance surplus.

The COPAG proposal for combatting hunger and unemployment, according to Cerra, calls for greater government investment in the civil construction sector and basic sanitation, along with administrative decentralization to strengthen the municipalities.

Sergio Quintella, the representative of the Liberal Front in the COPAG, urged greater independence from the government for state enterprises. In his view, the enterprises need to work autonomously, mainly in relation to price policy.

He stressed that it is unacceptable that enterprises, decapitalized as a result of an irrational price policy and the recession in the past 3 years, should have to use their own resources to meet their financial commitments. He urged that the price policy, the main recommendation submitted by the COPAG, be stabilized by the enterprises and the affiliated ministry, without having to submit to the criteria of the SEPLAN [Secretariat of Planning], which controls prices on the pretext of combatting inflation.

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BRAZIL

MILITARY COMMENTS ON POLITICAL COHESION, CP LEGALIZATION

'Cohesion' Said Essential

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Feb 85 p 4

[Article by Helio Contreiras]

[Text] Rio de Janeiro--Political cohesion in support of President Tancredo Neves will be essential so that the institutional transition can be carried out with no major problems, and it must not be threatened by pressure on the president-elect as far as his selection of cabinet members is concerned. That statement by Adm Julio de Sa Bierrenbach, judge of the Superior Military Court, has been endorsed by other high-echelon military men who have analyzed the country's present and future framework.

The statement by the president-elect while still abroad to the effect that he will not accept pressure or vetoes has been interpreted by the military men supporting his intended political strategy as a warning that must be calmly respected by those seeking high positions in public administration.

One of the generals who analyzed the present and future political framework has said that even those who helped the former governor of Minas Gerais get elected must not demand high positions, a type of behavior which, in his opinion, has a highly negative effect on public opinion. The same military men say that the maturity of the political class, which the country now has a right to expect, requires a more realistic attitude on the part of the politicians, considering that while there has never been such broad consensus concerning a president, it is also true that at no time will it be more essential to maintain broad political support for the government that will carry out the transition.

A member of the high command of one of the military services says that political cohesion will be crucial to the success of the strategy that Tancredo Neves intends to adopt beginning on 15 March because, among other reasons, it will now be up to the political class rather than the military class to support the president of the republic. But this, in turn, requires cohesion in the political class, in particular to discourage harmful actions by those unhappy with redemocratization. The same general warned that the radicals are currently lying low, but that they will also be quick to act against democracy and eager to create obstacles to a peaceful and trouble-free transition.

He said that demanding high public positions, if done ostentatiously and with no concern for ethics, might create weak spots in the administration's political system when cohesion becomes a crucial factor. According to the military analyst, the creation of weak spots may also leave the new administration vulnerable to pressure from other sectors trying to impose their own people on it--even, if necessary, by scheming to block the appointment of people who do not serve their interests.

In the opinion of the military who support Tancredo Neves' intention to carry out a peaceful transition but one with changes in all sectors, including the Armed Forces, the congressmen supporting the new president must avoid becoming divided. This view should not be interpreted as a condemnation of the politicians' behavior by the military, however, but as a caution.

The same general says that Vice President Aureliano Chaves is already aware of what a lack of political cohesion in support of the new president can mean. Because this guarantee--military cohesion--will be easier with military ministers having proven respectability and an unimpeachable past and whose stands are always aimed at unity, never at division (and who are therefore immune to intrigues aimed at depicting them as "divisive").

The military who have analyzed the pressures being exerted on Tancredo Neves to influence the selection of his team do not feel that the political system on which he depends is in a weakened condition. They say, however, that everything must be done to prevent possible demands for appointment to high position from encouraging pressure on the president from other sectors to choose this or that person or to take this or that stand.

One of the military men who have kept up with the new president's political strategy recalled that the prudence shown by the latter in avoiding haste in announcing the makeup of his cabinet is completely sound, since it prevents wear and tear on those chosen before the administration takes office on 15 March.

He also emphasized that as Judge Julio de Sa Bierrenbach of the Superior Military Court said, it is essential that Tancredo Neves be free to choose the ministers he wants, because only with broad political support will he be in a position to carry out the political, economic, and social transformations and the country's reinstitutionalization itself.

The barracks are not involved in the political debate, and the tendency to move away from party-political issues, which has grown stronger in the military area since 1982, has now been consolidated as the succession process comes to a close. But as was recalled by one member of the military high command, the "radicals on duty" still exist, and they must be discouraged. The way to do that is to convince them that the new president of the republic enjoys broad and mature political support.

## Army Statement Denies Rumors

Rio de Janeiro O GLOBO in Portuguese 8 Feb 85 p 6

[Statement by the Army High Command dated 7 February 1985]

[Text] Brasilia--At a meeting in Brasilia yesterday, the Army High Command issued a statement in which it warned against "fanciful rumors concerning secret episodes occurring during the presidential succession" that have been published in the press recently. This is the first time during the term of office of Minister Walter Pires that the Army High Command has issued a statement to the press.

The statement reads as follows:

Despite the repeated statements issued by this ministry, especially that of last 16 January, for the purpose of enlightening and calming public opinion, certain print media persist in publishing fanciful rumors concerning "secret" episodes in connection with the presidential succession and events allegedly occurring at meetings by the High Command. Those rumors always seek to present the army as having become a threat to the process of political relaxation, thus denying it the unquestionable role as guarantor of democracy that it has assumed in the eyes of history.

For that reason, the Army High Command as a body wishes to express publicly its vehement repudiation of that insidious practice, which, from all indications, is aimed solely at sowing discord in the army's ranks and setting it at variance with the people.

As has already been stated on several occasions, at no time in the course of meetings by the Army High Command has that body's unity been in jeopardy. This is not a collegial body, and the regulations which govern it stipulate this: "Matters dealt with by the Army High Command--except those relative to admission to and promotion on the roster of general officers--are not subject to a vote or the rendering of a decision, but only to analyses, studies, opinions, and recommendations," it being reserved exclusively to the minister of army, as superior commander of the service, to exercise sole responsibility for decisions.

The peaceful manner in which the presidential succession has been proceeding is not the result of mere chance: it results from the unshakable intention on the part of the government to conduct the process in the most perfect constitutional order, an undertaking in which it has the army's unconditional support. Any statement to the contrary has absolutely no basis in fact.

Despite the malicious and untrue reports that a few of the press media have been circulating, the country will continue inexorably on its journey toward

consolidation of the democratic process, which is the greatest objective of the 1964 Revolution.

Headquarters in Brasilia, 7 February 1985.

Gen Walter Pires de Carvalho e Albuquerque (minister of army), Gen Jose Magalhaes da Silveira (army chief of staff), Gen Heraldo Tavares Alves (commander, 1st Army), Gen Leonidas Pires Goncalves (commander, 3rd Army), Gen Jorge Sa Freire de Pinho (commander, 4th Army), Gen Adhemar da Costa Machado (military commander of Amazonia), Gen Jose Albuquerque (chief of the Ordnance Department), Gen Ivan de Souza Mendes (chief of the Department of Engineering and Communications), Gen Sebastiao Jose Ramos de Castro (commander, 2d Army), Gen Fernando Guimaraes de Cerqueira Lima (chief of the Department of Education and Research), Gen Rubens Mario Brum Negreiros (chief of the General Services Department), Gen Paulo Campos Paiva (chief of the General Personnel Department), and Maj Gen Pedro Luis de Araujo Braga (acting secretary of economy and finance).

#### Vasconcelos on CP Legalization

Rio de Janeiro O GLOBO in Portuguese 21 Jan 85 p 2

[Text] Sao Paulo--If Congress approves a constitutional amendment restoring legal status to the illegal political parties, the Armed Forces--although philosophically opposed to such parties, "which are not democratic"--will not oppose that action. That statement comes from Air Force Gen Waldyr de Vasconcelos, minister-chief of the Armed Forces General Staff, who observed: "The military are a little bit afraid of the communists, but will respect the Constitution."

The minister also said that all the circumstances that brought on the 1964 Revolution have disappeared completely and that as a result, "we are in this normal and peaceful state." He says he trusts the administration that will take office on 15 March, since the president-elect, Tancredo Neves, is a peaceful man with political experience.

Those statements were made in Sao Paulo, during the inauguration of the new international airport, in the VARIG Boeing carrying the party to Guarulhos. General Waldyr, who was in very good humor, also talked about Tancredo's choice of military ministers, saying that no pressure is being exerted by the Armed Forces on behalf of any candidate. He said everyone knew ahead of time that regardless of the choice, the new president would be the supreme commander of the Armed Forces, and he commented:

"The new president is free to choose his ministers. He is a very capable and very experienced man with much political experience."

Saying he did not know who would replace him in March, Waldyr denied that he had made any suggestions in that connection:

"When I leave the EMFA [Armed Forces General Staff], I will enter the reserve, and I want to stay home and relax. The next chief of the EMFA will have to be

a navy man because of the rotation system. Whoever is chosen for the new ministry is bound to be a good choice."

He added that he considers it unnecessary to establish a Ministry of Defense because the revolution "has achieved its objectives, and the military ministries are separate."

Concerning the possibility of a reform that would allow the communist parties, which are now illegal, to operate, he said that in the Armed Forces, "no one will rebel against that."

"The military are here to comply with the Constitution, and they have always done so. But it is clear that with good reason, the military are a little bit afraid of the communists because they study them and are very familiar with their methods. But we will comply with the Constitution."

The expectation of all Brazilians and of the military as well, he emphasized, is that Brazil, "a vast country with much remaining to be done and one still in the process of conquering its territory," will improve.

"The population is growing too fast, and because of that, we must create new investments to provide employment and food for all those people. A good share of our territory has still not been occupied. So there is a great deal to be done."

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CSO: 3342/106

BRAZIL

BRIEFS

INVESTMENTS APPROVED--The Industrial Development Council has approved 12 industrial projects, most of them in the chemical industry, calling for \$206-million worth of investments. The chemicals to be produced are polyester resin, isononanol, octenes, oil-refining catalyzers, and polyisobutene. [Summary] [Sao Paulo FOLHA DE SAO PAULO in Portuguese 6 Feb 85 p 7 PY]

1984 GOLD PRODUCTION--Brazil's gold production in 1984 totaled 50,090 kgs, an amount that fell far short of the 65,000 KGS the Mines and Energy Ministry expected. The lack of control over some gold mining sites, the reduced purchases by the Caixa Economica Federal [Federal Savings Fund], and the international market price, lower than production cost, are some of the causes given for this lower-than-expected production. [Summary] [Sao Paulo FOLHA DE SAO PAULO in Portuguese 5 Feb 85 p 9 PY]

LARGE OIL DEPOSIT DISCOVERY--Petrobras is drilling a new well in the Campos basin. The well in question is called Rio de Janeiro Submarino 219, and it is being drilled in an area where seismographic readings indicate the location of a gigantic oil deposit of [word indistinct] approximately 500 million barrels. This could be confirmed today or tomorrow. [Text] [Sao Paulo Bandeirantes Network in Portuguese 1000 GMT 26 Feb 85 PY]

PARTY PREFERENCES SURVEY--The Liberal Front Party, PFL, is already the third largest in the country, with 10 percent of the electorate after a month of having obtained its temporary legal registration. This finding was made through a survey conducted by the Gallup Institute in February on a sampling of 2,500 urban residents with Brazilian citizenship. Although still holding second place, the Social Democratic Party (PDS) has lost 5 percent of its voters, and now holds 11 percent of the electorate. The Brazilian Democratic Mobilization Party (PMDB) also lost 5 percent of its membership, but still is the country's most popular party with 44 percent of the surveyed sampling. The percentage of voters who have no sympathy for any party rose from 23 to 25 percent. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Mar 85 p 1 PY]

BRAZILIAN-EGYPTIAN JOINT COMMISSION--Foreign Minister Ramiro Saraiva Guerreiro and Egyptian Ambassador Mustafa Ratib 'abd al-Wahhab signed today an agreement to create a Brazilian-Egyptian joint commission with jurisdiction in the economic, commercial, scientific, technological, technical, and cultural areas. This commission should promote contacts and reciprocal understanding and visits



of delegations and missions. It will also review the [word indistinct] of the reciprocal agreements signed between the two countries, as well as to find and propose new forms and means of promoting and strengthening mutual cooperation. [Text] [Brasilia Domestic Service in Portuguese 2200 GMT 7 Mar 85 PY]

AMX PLANES ASSEMBLY--The Brazilian Aeronautics Company [EMBRAER] has begun to assemble in its Sao Jose dos Campos factory the first prototype of the Brazilian AMX tactical fighter, developed jointly with two Italian enterprises, Aeritalia and Aermachi. The official presentation of the model is scheduled for the second half of the year. The assembling of the Brazilian prototype began last year after the shipment of three sets of wings, tail assemblies, and air tubes manufactured in Brazil, in accordance with the division of work agreed upon among the enterprises. So far there are two AMX planes assembled at the Aeritalia factory in Torino. The agreement also provides for the construction of two more airplanes, one in Brazil and another in Italy, thus completing the five prototypes necessary for the approval of the model. [Text] [Rio de Janeiro O GLOBO in Portuguese 8 Mar 85 p 17 PY]

FEBRUARY MONETARY BASE EXPANSION--Brasilia--The monetary base (issuance of paper money) expanded by 19.7 percent in February, thus making it practically impossible to remain below the annual 60-percent expansion ceiling that had been agreed on with the IMF. A Central Bank source said yesterday that, during the ongoing negotiations with the IMF, the Brazilian Government has proposed that the annual monetary-base-expansion ceiling be modified upwards to 120 percent, a percentage that would be compatible with the new 200-percent projection for this year's inflation. Over the 12-month period, the accumulated expansion of the monetary base has increased by 268.7 percent while the expansion of the money supply (currency in circulation plus demand deposits) has grown by 203 percent. [Excerpts] [Rio de Janeiro O GLOBO in Portuguese 8 Mar 85 p 21 PY]

FOREIGN MINISTER ON PROTECTIONISM--Future Foreign Affairs Minister Olavo Setubal has described the role of the Foreign Ministry in foreign trade: it will mainly act against trade protectionism, and it will actively take part in Gatt. The position of the Foreign Ministry will be in defense of developing countries and against the rules set by the rich countries, which want to maintain the Status Quo. [Text] [Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 8 Mar 85 PY]

FEBRUARY TRADE BALANCE SURPLUS--In February, Brazilian exports amounted to \$1.532 billion worth of goods against \$991 million in imports. Thus, Brazil registered a favorable trade-balance surplus of \$541 million. This surplus is considered low by Carlos Viacava, head of the Foreign Trade Department of the Bank of Brazil, who said "we were given a warning." The 12-month accumulated trade-balance surplus was thus reduced by \$260 million in a single month. Viacava blamed this on the fact that February has only 21 working days. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Mar 85 p 1 PY]

3 April 1985

TRANSPORT AGREEMENT WITH NIGERIA--Brazil and Nigeria have reached an agreement for the division of maritime transport cargo on a 50-50 basis, such as to eliminate the role in freight traffic of shipowners from other countries. This decision was announced in Rio by Laurits Lachmann after 3 days of negotiations with Nigerian shipowners. Brazil is represented by the Global, Lloyd Brasileiro and Kommar enterprises, and the Nigerian freight carriers are the Nigerian American Line, Nigeria South American Line and NIGERBRAS. A meeting of the shipowners in December has already been scheduled to deal with the renewal of the agreement. "Our goal is to convert the agreement into a bilateral treaty which, because it is restrictive, will more firmly guarantee the rights of Brazilian and Nigerian shipowners. Exports of vehicles on special vessels equipped with ramps (roll-on, roll-off type) continue to increase. The president of Kommar, Jose Carlos Franco de Abreu, announced that beginning in April, 8500 vehicles of the Passat model will be shipped to Iraq. The Volkswagen contract calls for the sale of 110,000 cars in a year, with the option of renewing the contract for yet another year, reaching a total of 220,000 vehicles. Kommar will lease two foreign vessels for the shipment, because its own ship, the Karisma, is being used on the Nigerian line and, occasionally, on the Rio-Manaus route. The Karisma can carry 1,800 vehicles per voyage, and it has 11,000 cubic meters of space for the transport of disassembled vehicles (CKD). On recent voyages, the Karisma has carried Volkswagens to Portugal and Fiats to Algeria. On the Nigerian line, the Karisma has carried 350 disassembled "kombis" per month. Brazil and Nigeria have adopted the exchange system (called barter), wherein industrial products are exchanged for Nigerian oil. However there are delays in the use of credit cards which is hindering Brazilian export movements. [Text] [Rio de Janeiro O GLOBO in Portuguese 21 Feb 85 p 19] 5157

CSO: 3342/111

CHILE

#### NATIONAL POSITION SUPPORTS CHINESE BASE IN ANTARCTIC

Santiago EL MERCURIO in Spanish 16 Feb 85 pp C-1, C-4

[Text] Chile's endorsement of the provisions of the Antarctic Treaty as the basis for scientific work in the area was reaffirmed yesterday by the minister of defense, Vice Adm Patricio Carvajal.

The minister announced this after meeting yesterday with a mission from the People's Republic of China which will inaugurate a base on national Antarctic territory on 20 February. It will be named "The Great Wall of China."

These new installations will cost 10 billion yen, a little more than \$38 million, according to the chairman of the National Antarctic Research Commission of China, Wu Hen, at the end of the meeting with the minister of defense.

The foreign representative stated that scientific work will be done at the base and about 15 people will live there.

The meeting was held at 11:00 yesterday in Minister Carvajal's office. The ambassador from the People's Republic of China, Tang Haiguang, the assistant director of the Chinese Meteorological Office and seven other experts also attended.

#### Chilean Position

After the meeting with the Chinese mission, the minister of defense, Vice Adm Patricio Carvajal, revealed that these initiatives constitute an endorsement of the Chilean position to keep the Antarctic Treaty in effect and avoid internationalization of the frozen continent as some nations have proposed at the United Nations.

The official stated: "We have defended this treaty and we want it maintained and renewed because we think it is a good status until a more suitable decision on the boundaries of each country there is reached."

He recalled when the Antarctic Treaty was signed in Washington in December 1979 by Argentina, Australia, Chile, France, Japan, New Zealand, Norway, South Africa, the USSR, the United Kingdom and the United States.

He revealed: "No provision in the treaty will be interpreted as a renunciation by any contracting party to its right of territorial sovereignty or territorial claims in the Antarctic that had been valid before."

#### Chilean Base

The minister also indicated that the Chilean base on the frozen continent has basic importance since it consists of the "Teniente Marsh" air base and the "Presidente Frei" meteorological base. The latter is part of a network with the United States and the USSR.

He stated that the results of the Chinese work will be communicated to Chilean scientific organizations. This has been done with other nations like Brazil, Uruguay and Canada.

7717

CSO: 3348/429

CHILE

BANKING, FINANCE OFFICIALS APPOINTED TO BUCHI TEAM

Santiago EL MERCURIO in Spanish 21 Feb 85 pp A-1, A-10

[Text] The president of the republic, Gen Augusto Pinochet, appointed commercial engineer Guillermo Ramirez as new superintendent of banks and financial institutions. The current minister of finance, Hernan Buchi, held this position before.

The minister appointed economist Cristian Larroulet cabinet head of his ministry, replacing Rodolfo Ramirez who will be in charge of relations between that ministry and the private economic sector.

"No Changes in Economic Policy"

In his first contact with journalists of the economic sector, Cristian Larroulet categorically denied that the government is studying any change in the tariff policy or an adjustment in the rate of exchange.

He stated: "There is no truth in that. Minister Hernan Buchi is aware of a number of expectations or comments that have arisen because of his appointment. This normally occurs in these cases. He has asked me to inform the businessmen and interested persons, through you, that there is no study on either topic."

Cristian Larroulet pointed out: "One of the bases of the economic policy that the government is implementing is its continuity. The country can be sure that we will not 'go backwards' in economic policy." He said: "This continuity is demonstrated in the members of the minister of finance's work team. There has been a logical change in the position of cabinet chief and a replacement has been named for the minister as superintendent of banks and financial institutions. That is all. There will not be any other changes," he emphasized.

The 31-year-old economist, married with three children, has a degree from Catholic University of Chile. Until a short time ago, he headed the Antimonopoly Prevention Commission and is a member of the Fourth Legislative Committee. He has held different positions in public administration since 1976, advising many ministers of the current government.

Asked about the appointment of Hernan Buchi as minister of finance, Larroulet stated: "He is a very pragmatic and realistic person. I think those who see him as a sophisticated theoretician are mistaken. He has a great capacity for work and is very aware of the important role private enterprise must take in the recovery of our economy." He added: "There will definitely be regular contact with the business leaders and with you, the journalists, to provide absolute clarity about the economic progress of the country."

As to the situation of the agreement signed with the IMF mission, Larroulet reported: "The agreement should be in the hands of the managing director of the IMF, Jacques de Larosiere. He will submit it for approval to the IMF executive council. Minister Hernan Buchi is waiting for all the normal procedure to be carried out before reporting on the main variables of the economic program during the next 3 years." He added: "In any case, the general features were already announced by the former minister, Luis Escobar."

#### Superintendent

The new superintendent of banks and financial institutions, Guillermo Ramirez, will take office soon after his legal holiday.

Guillermo Ramirez is a commercial engineer with a degree from the University of Chile and a master's degree in economics from Yale University. He had been head of the Department of Studies of that superintendency.

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CSO: 3348/429

CHILE

ANTARCTIC TOURIST PROGRAM DEVELOPMENT PROMOTED

Santiago LA NACION in Spanish 20 Feb 85 p 3

[Text] One of the boldest projects that have been carried out in the 11th Region, Aysen, began recently. It included crystallization of the project called "Around the Northern Ice Field, an alternative to adventuresome tourism." According to reports, a team of professionals and sportsmen will tour an area of 675 kilometers by river, sea, lake and land between the banks of Baker River and San Rafael Lagoon. The objective of this project is to obtain the necessary knowledge and experience to add a flexible, multiple resource circuit to adventuresome tourism, contributing to national coverage of the region.

In this region, nature combines its best delights: dense vegetation, glaciers, ice floes, islands, fiords and canals. More than 20 lakes, countless rivers, forests, mountains and totally wild vegetation make this region a dream place.

Despite its wonders, there are not many tourists. This is mainly due to the inaccessibility of the area that in recent years has been connected more to the rest of the country thanks to the construction of the Southern Highway. This has been the main incentive for tourism in the region by becoming the main access route. Many tourists have traveled on it since its opening.

The area can be reached by air, land or sea. In the first case, access is through Chaiten, after crossing by ferry from Chonchi in Chiloé. To go from there to Coihaique, it is necessary to travel 420 kilometers on the Southern Highway. It is also possible to reach it through Argentine territory, crossing the Puyehue pass in Osorno. To take the maritime route, ships leave from Puerto Montt.

Due to the immense natural wealth of the area and, therefore, its tourist potential, the project being carried out by the Interdisciplinary Research Center of Cochrane is very important. It will announce the results of this trip with a special publication in full color, slides and photography exhibits in different parts of the country.

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3 April 1985

CHILE

## BRIEFS

ANTARCTIC TASK FORCE REPORTS--The Antarctic Task Force made up by the transport ship "Piloto Pardo" and the oceanographic ship "Yelcho" under the command of Frigate Capt Jorge Vergara is carrying out several activities as part of the 39th Antarctic Mission. The "Piloto Pardo" transported different cargo and personnel from the Teniente Carvajal Base on Adelaide Island to the Teniente Rodolfo Marsh Base of the Chilean Air Force. The Adelaide sub base and the Antarctic air base Gabriel Gonzalez Videla will remain closed until next year. The cutter "Yelcho" visited the Palmer Base and two foreign bases, Comandante Ferrez of Brazil and the Polish base Arctowski, exchanging greetings as usual. Also the ship crew delivered water and fuel to the "Alcazar" motorship in Caleta Balleneros located on the island Decepcion. The Chilean Navy is continually using its material and human resources to support the many tasks developed on the Antarctic continent. [Text] [Santiago TERCERA DE LA HORA in Spanish 20 Feb 85 p 12] 7717

CSO: 3348/429



COLOMBIA

REPORT ON IMPORT-EXPORT REFORMS

PA120123 Bogota EL TIEMPO in Spanish 2 Mar 85 pp 1A, 2B

[Text] The National Government yesterday promulgated a complete reform of the special import-export systems known as the Plan Vallejo, which permitted the importation, duty free, of raw materials and capital goods intended to generate exports.

The reform seeks to simplify and expedite the Plan Vallejo, to radically reduce the number of documents, requisites, administrative steps and required them for the businessmen to make use of the mechanism.

Through this measure, contained in Decree 631 of 28 February, the government intends to promote minor exports, as part of the plan of macroeconomic adjustment recently announced by Finance Minister Roberto Junguito Bonnet.

The reform of the Plan Vallejo was also one of the conditions imposed by the World Bank to the nation to grant a \$300-million commercial credit.

The director of INCOMEX (Colombian Foreign Trade Institute), Nohora Rey de Marulanda, issued the following communique to that effect:

"The National Government announces the issuance of Decree 631 of 28 February 1985, introducing important modifications to the special import-export systems known as the Plan Vallejo. As is known, said mechanism permits the import, free of duties, of raw materials and capital goods intended to generate exports.

The reorganization of the Plan Vallejo is most important to Colombian foreign trade, in view of the difficulties affecting the economy's external sector and because of the need to dispose of the instruments to help consolidate minor exports. In this respect, the instructions of the National Council of Economic and Social Policy are fulfilled, and which have identified the Plan Vallejo as an irreplaceable measure to promote nontraditional exports and for the revitalization of the national productive apparatus.

The adopted measures were possible in the development of the powers conferred by the Marco Law of foreign trade, aimed at strengthening exports, creating jobs, and making a favorable impact on the nation's international reserves. The Plan Vallejo has won continued participation in the external sector to the extent that, presently, said systems cover 23.5 percent of the nation's total exports, and 56 percent of minor exports.

The principal modifications to the Plan Vallejo are:

Guarantee of rapid and timely access to the imports required for the production of exportable products. Thus, the difficulties of cost, quality, homogeneity, and availability of the goods required by the exporting sector will be obviated, additionally serving as an improvement in the competitive condition of national inputs.

Flexibility in the import mechanisms of raw materials and inputs and of capital goods, simplifying the operations of the various firms participating in the import-production-export process. This promotes a greater vertical and horizontal integration in the export projects, providing a crucial means to help the development of sectors that, such as the agricultural and livestock sector, have suffered an important increase in their production costs.

Reorientation of the conditions for the import of capital goods to facilitate a speedy transfer of technology. In this respect, a new minimum limit is established; 70 percent of the exportable production is the minimum proportion to be exported, even with total tax exemption, making conditions more flexible and the investment on export projects more attractive. The aggregate value, the technological effects and the contribution to the diversification of exports, constitute the main criteria that are employed by INCOMEX to evaluate the import projects of capital goods.

Facilities to import spare parts to guarantee the normal operation of the machinery and equipment used in the production of export goods.

Effective promotion of the production of capital goods in the country and, consequently, the metals and machinery sector, permitting the importation of the necessary material for its manufacture, as long as the products obtained with such capital goods are earmarked for export.

Possibilities to import capital goods and spare parts used in services directly linked to exports. This will support the operations that help solve the problems of transportation, quality control, research, development, maintenance of equipment, and so forth.

Greater scope and easier access to the mechanism to replace the raw materials or the "Plan Vallejo, Jr.," making it suitable for occasional exports, as an alternate formula of Article 172 of Decree Law 444 of 1967. In the future, the application of this system will not require an import license for the merchandise favored by fiscal exemptions, and may be repeated indefinitely without payment of duties.

Also, the Plan Vallejo, Jr. has been designed so it may be used not only by exporters directly, but also by suppliers of inputs for export. The new scheme is basic to new and occasional exporters and to producers facing instability due to variations in the international markets.

To simplify and expedite administrative requirements through the substitution of current contracts between exporters and the government. In the future, the exact figure of import-export programs will be used, thus radically reducing the number of required documents and, naturally, this will facilitate access to the subsidy.

To design an additional alternate mechanism to remit funds abroad for imports, permitting access to exchange originated in foreign loans, and administered by the Banco de la Republica.

The streamlining of the Plan Vallejo will be accompanied by new rigid control mechanisms under the precept of maximum simplification and strict vigilance in the use of the subsidy, through the strict application of sanctions in the cases of noncompliance or incorrect use. In this field, the Plan Vallejo is in harmony with the provisions of the new Customs Code, issued in October 1984.

"The decree issued introduces a decisive modernization of foreign commerce of the Plan Vallejo, placing it as one of the main instruments to promote exports for medium and long terms.

"In a few days, INCOMEX will issue a resolution to administratively organize the initiation of the new system. It is considered fundamental for its greater effectiveness that the exporters have thorough knowledge of the resolution and the above-mentioned decree."

CSO: 3348/484

COLOMBIA

NEW INCORA HEAD ADVOCATES AGRARIAN REFORM

PA081709 Bogota Cadena Radial Super in Spanish 1730 GMT 7 Mar 85

[Report by Fabio Callejas Ramirez]

[Text] President Belisario Betancur said today that the government will continue the agrarian reform process and will give land to peasants and Indians in areas affected by violence. Agriculture Minister Hernan Vallejo Mejia also expressed optimism over the agrarian reform process. These statements were made during the swearing in of Antonio Gomez Merlano, the new manager of the INCORA [Colombian Institute of Agrarian Reform]. Let us listen to Agriculture Minister Vallejo Mejia:

[Begin recording] [Vallejo Mejia] We have to act in line with the available resources. The small farmers have the right to expect great support from the government just as the landless peasants want land and the business sector that is working efficiently also expects support. The government has to weigh the various interests and to bring them into harmony, always with the goal of having both economic and social development. We have to work to reduce tension and to help the situation of the poor.

[Callejas Ramirez] Antonio Gomez Merlano, as you were sworn in as new INCORA manager by President Belisario Batancur, the president said that the agrarian reform process will not be halted despite the various difficulties experienced in the peace process. What is your opinion?

[Gomez Merlano] I think that the agrarian reform processes in Latin America and specifically in Colombia have been the result of the need to increase production and productivity in the rural areas and the need to reorganize the landholding structure from the social, political, and economic viewpoint. Measures must be taken to give the peasant sectors adequate technical aid and sufficient credits for their activities. In line with the president's instructions and with a clear principle of social justice, we must essentially work to continue the agrarian reform process to benefit the most needy sectors.  
[End recording]

CSO: 3348/477

CUBA

# BPP INCENTIVE SYSTEM USED IN AGRICULTURE DISCUSSED

Havana CUBA SOCIALISTA in Spanish Sep-Nov 84 pp 105-116

[Article by Julio Lopez Iniesta, a specialist in labor economics]

[Text] Since 1981, an experimental process has been initiated in Cuban agriculture that is today gradually assuming magnitude. We are referring to the Permanent Production Brigades (BPP).

For the farm and livestock sector, with its lengthy experience in the application of different methods of organizing operations and wages, these past few years have really been significant. In connection with this, it has gone through different forms and phases of development: from a direct relationship with the worker based on payment systems like piecework to one that takes into account the relationship with the region, without discontinuing utilization of payment by tilled field. All this has made it possible for them to now plan new phases in this sector and better forms of economic relations between the individual interests of the worker and final production results.

In 1983 the Ministry of Agriculture -- the agency that initiated this experiment -- had 13 farm and livestock enterprises that were organized and operated completely by the BPP; by the beginning of 1984 it already had 65. This permits us to consider this system and to note the specific results obtained during the first half of the year in 63 enterprises -- given the fact that two were incorporated, one in April and one in June. As for the Ministry of the Sugar Industry, it is to begin the experiment in 17 agroindustrial complexes as of 1 January 1985, which is why it has produced a preliminary study for the purpose of achieving the best results.

The experiment referred to is related to an aspect of the management of the economy as important as is workers' full participation in production management. This does not correspond to a style of labor; rather it is something that is indispensable for the purpose of guaranteeing constant and ever higher levels of production and productivity, greater economic efficiency, in short, to meet growing physical and mental needs.

As we understand it, the decision to gradually create this rank-and-file economic organization constitutes a step forward in terms of economic management.

Obtaining a new type of economic participation for workers, not only through wage incentive systems -- which obviously help in connection with this -- is an important product of this process. There can be no doubt that, having a production plan with specific quotas capable of being periodically evaluated and in the execution of which he intervenes directly through the adoption of measures, the brigade worker is more committed to meeting quotas both individually and collectively. Thus this production relationship provides the bases for the creation of the new nature of labor in a socialist society.

What Are the BPP?

The experience produced by over 3 years of practical application of the BPP makes it necessary for us to define them as well as to establish their main characteristics. This will help us to take into account the fundamental elements that are indispensable in better gradually introducing them. There is no doubt that in the performance of this task new standards will arise that will lead to the adaptation and probable expansion of the characteristics of the BPP that have up to now been assumed to be the chief ones.

The BPP are basic and fundamental production units in terms of which the farm and livestock and forest enterprises and cane growing and processing operations may be structured. These brigades are in a stable way grouped into a worker aggregate which is assigned a specific sector, such as the resources necessary for carrying out a plan. Its operation is based on the principles of internal economic planning, common interests and the responsibility of each and every one for the final economic production results.

The BPP are characterized by specific features that impart to them their substance. These are the main ones:

- a) The grouping together of a number of workers to jointly perform certain tasks, the result of which constitutes the end product.
- b) Work based on an annual plan drafted with the participation of its members.
- c) Economic production activity based on internal economic planning.
- d) Allocation of the technical, material and human resources indispensable for the realization of the production tasks.
- e) Distribution of the tasks among its members in accordance with the division and cooperation of labor established within the BPP.
- f) Linking a major portion of wages with the final economic production results, which is in turn distributed among members according to each one's participation in the collective effort.
- g) A certain amount of operational independence in the execution of tasks for the purpose of carrying out the plan. Management is exercised by the brigade chief, who is its top official.

h) Obligation of the members to comply with labor laws and enterprise rules regarding production, technology, use of equipment, organization of production and work, job safety and hygiene, etc.

A brief description of some of the essential elements of the BPP may help us to more clearly understand the economic and political scope of this way of organizing production, management and labor.

#### Production Plan

The production plan for the brigades is drawn up taking into account their real production potential based on the most sensible use of the soil, the ensuring of the necessary material — machinery, equipment and tools — appropriate utilization of the permanent or temporary labor force, etc.

In drawing up the plan for the brigades their interests should be coordinated with those of the enterprise and the organization, permanently establishing those guidelines that will consolidate and satisfy them.

The technical-economic foundation for the brigades is the operation sheet and other regulatory documents in effect for the exploitation of farm and livestock resources, with the projected norms for material and wage expenditures to achieve the planned objectives earmarked in the plan.

A plan drawn up in this way exhibits a level of production efficiency higher than that produced by the current method and application of farm and livestock planning. An enterprise that is structured taking the brigades as its basic production organization must of necessity call for a level of efficiency in its annual technical-economic plan that is higher than that of the other enterprises in its sector or activity.

This point is fundamental inasmuch as incentive systems only work when the plan has these characteristics.

We have pointed out the importance of the operation sheet in drawing up the plan. However, for it to play its role it is essential to eliminate certain flaws in its utilization.

Among the commonest of these is the drafting of operation sheets that establish a set of tasks that are not really necessary or that it is impossible to realize due to a lack of resources. The operation sheet must be adapted to the real situation and, to do so, it will be based on the specific agronomic norms of the sector for which it has been drawn up. Another point is the fact that it should see to it that scheduled tasks are in keeping with the projected output and not, as sometimes happens, that countless tasks are scheduled without the corresponding production followups.

The operation sheet must have a technical foundation that permits it to play its role of being the basis for drawing up the plan and at the same time to serve as a technical guide and control for the plan. Turning the operation sheet into

a document of daily use, of systematic observation and analysis, will enable it to fulfill its role of competent instrument in production management.

### Wage Incentives

The organization of workers into brigades of this type, based on internal economic planning, ensures that the different categories of the enterprise's technical-economic plan are present at this level, which permits implementation of a set of measures. Using techniques that have already been tested in the sector as a point of departure, others are integrated to form a system that influences and provides incentives for both daily and periodic output and, fundamentally, the final production yield.

They are in this way trying to, insofar as is possible, stimulate the achievement of higher indices of production and efficiency as well as of those that in one way or another affect the specific results of operations.

The system referred to is founded on the principle that the brigade plan is drawn up on more objective bases, imbuing it at this level with a degree of tension that is over and above the average for the rest of the enterprises. This ensures the economic effectiveness of the incentive system.

Payment on the basis of the yields of harvested fields continues to be a strong incentive for brigade workers. Wages received in this way do not depend on the final production output, but constitute the basis for calculating bonuses, which do provide incentives to achieve this final output.

At the present time a bonus of 10 percent of wages earned by filling and exceeding the production quota and a bonus of up to 20 percent of wages earned through relative economies in the brigades' planned material and wage expenditures are applied. Moreover, the bonus is distributed to each brigade in proportion to its contribution to the execution of the enterprise's technical-economic plan.

All brigade workers have a right to the 10-percent bonus for filling and exceeding the brigade production quota and the bonus is awarded on a quarterly or semiannual basis or at the end of the production cycle, according to the type of product involved.

The bonus is paid starting with 90 or 95-percent fulfillment of the brigade production quota. When based on 90-percent fulfillment, a bonus of 1 percent is granted for each 1 percent of fulfillment above the starting point; when the starting point is 95 percent, a bonus of 2 percent is granted for each 1 percent of fulfillment of the quota. With improvement of brigade planning, the starting point could come close to 100-percent quota fulfillment and also, depending on economic yields, greater incentives could be provided to attain this objective. The chief requirement for the bonus is that there be no expenditures beyond the limits set on planned material and wage expenditures, which provides incentives not only to fulfill the quota, but also to do so efficiently.



All brigade workers also have a right to a bonus of up to 20 percent for relative economies in planned material and wage expenditures for the brigades and this bonus is distributed on an annual basis. In cane operations this may be paid in advance at the close of the half year since it is important to provide incentives during the cane harvest. The fund through which this bonus is financed is created on the basis of 30 percent of the value of the relative economies in material expenditures and 50 percent of the value of relative economies in wage expenditures. The granting of this bonus is subject to fulfillment of the production quota.

As we can see, the objectives of and conditions set on these bonuses are combined, providing incentives for fulfilling and exceeding the production quota and for compliance with or reduction of planned levels of wage and material expenditures.

The bonus for those enterprises made up of BPP is governed by the same general principles established for the rest of the enterprises, but, considering the existence of internal economic planning, it is distributed according to the level of efficiency displayed by each brigade at the conclusion of the annual plan. This level of efficiency is obtained through a percentage derived by comparing the sum of the bonuses obtained by the [degree of] fulfillment of the quota and the relative economies in wages and material expenditures with the planned wage fund.

This enables them to more strongly encourage those worker collectives that produce better results in the completion of their annual technical-economic plan as well as offering smaller bonuses or none at all to those that have not made as great a contribution as the former in contributing to the higher yields of their enterprises.

Another approach of the system which, as we understand it, should be carefully studied is the one involving that portion of the wage budget destined for enterprise-level experts and managers -- including brigade chiefs -- for fulfilling the production quota and complying with planned enterprise costs. The experience of different countries indicates that, to the extent brigade operations are stabilized, planning is encouraged and worker participation in management is promoted, this approach could be extended to the rest of the occupational categories and the percentage of wages tied to quota fulfillment and cost levels would constantly increase.

#### BPP Size

The factors that affect the number of members of the brigades are numerous. Among them figure prominently the type of crop or product, the level of mechanization and irrigation, the degree of specialization, the extent to which the land area is concentrated and also the proficiency levels of the experts and management staffs.

In the socialist countries in which this type of organization is more highly developed -- the USSR, Bulgaria and the GDR -- the number of members in a

brigade varies between 20 and 40 workers, but there is no fixed number as far as this is concerned. There may be brigades with 70 workers and also those with 10 or 12; it depends on the above-mentioned factors.

In Cuba experience teaches us that -- during this initial phase -- the brigades may consist of from 50 to 80 workers in Ministry of Agriculture enterprises and from 100 to 130 in the agroindustrial complexes of the Ministry of the Sugar Industry. We must continue to study this, taking into consideration aspects of a practical nature like better utilization of experts and managers with the required qualifications and more direct and systematic communication with all brigade workers by brigade management and vice versa so that management actions will more and more acquire a collective nature.

#### BPP Structure

The characteristics of the brigades particularly influence the structure of their management as well as that of the enterprise, which favors their simplification.

Unlike the sector's present-day structures, the brigades rely on a smaller group of workers dedicated to the tasks of management and technical and economic control. The chief of the brigades is the top man responsible for completing the plan. He depends on a small group of experts responsible for the supervision and proper application of the agronomic aspects of the work. Because of its size and composition, the management apparatus is fundamentally concerned with the economic production management of the brigades.

The different economic procedures tend to reduce brigade management personnel to a minimum, which in turn influences the management structure of the enterprise, making it more flexible, more dedicated to technical advice, to control and to economic plans, and making foremen and management more flexible, which turns it into a more dynamic entity. There can be no doubt that the introduction of internal economic planning at brigade level contributes to this. To help those enterprises that depend on the BPP to achieve this objective, we must thoroughly study a set of problems that notably interfere with their economic activities, in particular the excess of processing of information, meetings, etc.

#### Internal Economic Planning

The utilization of internal economic planning constitutes an essential condition for the organization of the enterprises into BPP inasmuch as application of this economic approach makes it possible to more exactly measure the efficiency of each brigade in fulfilling its quota. The results of the fulfillment of said quota are in turn the basis for providing workers with incentives.

We must make it clear that this economic approach is in keeping with -- as one of its elements -- a phase of development of the Economic Management and Planning System. So it has to be accepted along with the logical flaws of anything that is just beginning and with the limitations imposed on it by the restricted

nature of economic planning at the enterprise level at the present time. This, among other things, means that it is essential to work systematically on the shaping and improvement of each brigade's material and wage expenditure norms as well as on finding solutions to the problems of planning, control and incentives that arise as a result of the complex of production and economic relations of the brigades among themselves and in relation to the enterprise management.

#### Economic Results

The results of the first half of this year are positive. As follows from an analysis of Table No 1, the 63 enterprises operating with BPP have experienced growth rates of 8 and 10 percent in gross production and commercial production in comparison with the real volumes for 1983, higher by 1 and 4 percent respectively than anticipated in the plan for that period.

Marketed production and net production increased in comparison with last year by 11 and 13 percent respectively despite the fact that the planned volume of sales was not attained. In the 63 enterprises, in both gross productivity and net productivity, a favorable relation is noticeable with respect to the growth of the average wage.

Table No 1

Indicators	First Half (in percentages)	
	Actual 1984 Volume	Actual 1984 Volume
	Planned 1984 Volume	Actual 1983 Volume
Gross production	101	108
Commercial production	104	110
Marketed production	99	111
Net production	108	113
Workers average	97	95
Gross productivity	105	114
Net productivity	112	118
Wage fund	100	102
Average wage	103	108
Wage expenditure per peso of gross production	100	97
Material expenditure	94	107
Material expenditure for gross production	94	100
Commercial production cost	94	98
Estimated profit	114	120

In evaluating the first half of 1984, the adverse weather conditions that prevailed during that period, affecting the country in different degrees, must be taken into account.

In keeping with these results, wage incentive systems played a proper and important role, acting more and more powerfully as a stimulus to the labor collectives in obtaining greater economic and production achievements. During the period 3.1 million pesos were paid under the heading of bonuses, representing

4 percent of the attached wage fund and an increase of somewhat more than 2.2 million pesos in comparison with the total amount in bonuses paid during the same period the year before. Over 29,000 workers received bonuses during the first half; about 73 percent of the workers who benefited from the incentive systems received payment of bonuses for fulfillment of the quota. During the same period the year before in these enterprises only 14.6 percent, or 11,529 workers, benefited from bonuses in effect through other systems. The average bonus per worker was 75.80 pesos, which represents about 7.3 percent of the average wage during the period.

As we can see, the results are encouraging, considering the fact that this organization is a new one and it still has to undergo the necessary adjustments. When we add to the above the weather conditions that affected farm and livestock production in the country, we can imagine that its potential for an increase in production and economic efficiency will be even greater.

Countless factors influence the BPP, which is why it is essential to organize them in such a way that the specific features of the places they are created in may be taken into consideration without losing their essence and objectives. This is why the brigades still require a period of experimental application that will permit the creation of a methodological basis for the attainment of its correct application.

The BPP do not constitute an isolated, independent element, but a physical, concrete way of organizing production, management and labor, one that favors the introduction at its level of an aggregate of elements of the Economic Management and Planning System.

11,466

CSO: 3248/224

CUBA

BRIEFS

BRUSH FIRE IN MATANZAS PROVINCE--A large fire has been burning since Sunday in the Cienaga de Zapata region in southern Matanzas Province. Forestry workers, agriculture ministry pilots, forest rangers and interior ministry troops are making heroic efforts to put out the fire, which has now damaged over 100 caballerias of land, [one Cuban caballeria equals 1,343 acres]. The fire is being fought from air and land to reduce damage plants and animals. So far, damage to the ecology is considerable, although wooded areas have not yet been affected. According to preliminary estimates, the recovery of the area will take 10 or 15 years. This afternoon expectations are optimistic and it is hoped that the more intense areas of the fire will be put out at any moment. Part of the national highway near the fire is being used as a temporary airport for pilots, who with the other firefighters, have shown our people's ability to confront any situation. [Text] [Havana Television Service in Spanish 0100 GMT 16 Mar 85]

CSO: 3248/292

DOMINICAN REPUBLIC

BRIEFS

EMBASSIES, CONSULATES CLOSE--On 25 February, the Foreign Relations Secretariat has announced that the embassies in Belgium, Republic of Korea, England, and Sweden will be closed. Concurrent ambassadors will be appointed to cover these embassies. The consulates in Buenos Aires, Chicago, Le Havre, Genoa, Houston, London, Mobile, Marseilles, and Rotterdam will also be closed. In Buenos Aires, an embassy official will conduct the consular affairs. Honorary officials will be designated for the remaining consulates. This temporary measure was taken in order to save foreign currency because of an agreement with the IMF. About \$1.8 million will be saved, 30 percent of the existing foreign service payroll. [Summary] [Santo Domingo LISTIN DIARIO in Spanish 26 Feb 85 pp 1, 13 FL]

APPOINTMENT ANNOUNCED--President Salvador Jorge Blanco appointed Brigadier General Sergio Humberto Nin Melo as deputy chief of the National Police. He is replacing Brigadier General Francisco A. Baez Martinez who was granted retirement with pension by the president. [Summary] [Santo Domingo LISTIN DIARIO in Spanish 26 Feb 85 p 4 FL]

APPOINTMENTS, PROMOTIONS ANNOUNCED--President Jorge Blanco promoted Colonel Garibaldi Castellanos Marte to Brigadier General. He also appointed Carlos Federico Cruz Dominguez as secretary of agriculture, Carlos Guillen Tatis as director of the Dominican Agrarian Institute, Efrain Toribio as Administrative Assistant Director of the Dominican Agrarian Institute, Florencio Lorenzo Silva as General Director of Tax Revenue, and Ramon Jerez as Administrative Assistant Secretary of Sports, Physical Education, and Recreation. [Summary] [Santo Domingo LISTIN DIARIO in Spanish 28 Feb 85 pp 1, 4 FL]

GDP GROWTH 1.5 PERCENT--The Dominican Republic's gross domestic product [GDP] grew 1.5 percent in 1984 which represented a 2.4 percent decrease compared to the year before, and ECLA report has stated. In the ECLA report, given out by the Foreign Ministry, the Dominican Republic appears as one of the countries in Latin America which achieved the greatest amount of economic development in 1984. The report shows the GDP Fluxtuations in the 20 countries between 1975 and 1984. The Dominican Republic, along with El Salvador and Venezuela, showed a 1.5 percent GDP growth in 1984. [By Tulio Navarrete] [Excerpt] [Santo Domingo LISTIN DIARIO in Spanish 5 Mar 85 p 8 FL]

GUATEMALA

PRC DIPLOMAT TOURS COUNTRY ON TOURIST VISA

PA122349 Guatemala City EL GRAFICO in Spanish 11 Mar 85 p 3

[Text] Ranking officials at the Guatemalan Foreign Ministry have confirmed reports that a Chinese diplomat from the PRC has visited Guatemala.

The sources reported that the Chinese diplomat [Tao Dazhao, Chinese Ambassador to Colombia] entered the country on a tourist visa.

The visa--and a matching one for his wife--was issued in Bogota, Colombia, after due consultation.

The sources added that the government authorized the issuance of the visas as a matter of routine. The Guatemalan Government's position on the PRC is unchanged and there are no diplomatic relations between the two governments, the sources explained.

Guatemala maintains direct, fraternal, and cordial relations with the Taiwanese Government, with which a broad exchange program is maintained.

The visit by the communist ambassador was strictly personal, it was reported.

We are not interested in establishing diplomatic relations with the PRC or any other communist-bloc country, the sources stressed.

If any other similar visa request were to be made it will also be approved so long as all requirements are met.

CSO: 3248/281

HAITI

## REORGANIZATION OF FISCAL ENTITIES DETAILED

### Tobacco, Matches Agency Absorbed

Port-au-Prince LE NOUVEAU MONDE in French 1 Feb 85 pp 1, 4

[Text of Decree by President for Life Jean-Claude Duvalier, reprinted from LE MONITEUR of Monday 21 Jan 1985]

[Text] Jean-Claude Duvalier, president-for-life of the republic.

Given articles 110, 111, 112, 126, 127, 170, 171 and 216 of the Constitution;

Given the Statute of 6 June 1924 creating the General Tax Administration;

Given the Decree-Law of 13 January 1938, entrusting the collection of recording, transcription and mortgage registration fees to the General Tax Administration;

Given the Statute of 21 April 1940 entrusting the director general of the tax administration with responsibility for absentee property, the partition of community property, judicial sequestration, provisional and permanent receiverships, and bankruptcies.

Given the Decree-Law of 25 September 1943 naming the director general of tax administration as director-general of recording and mortgages;

Given the Statute of 16 February 1948 establishing the Tobacco and Match Administration;

Given the Decree of 26 October 1961 and the Statute of 22 July 1980 reorganizing the General Tax Administration;

Given the Decree of 8 November 1965 transferring to the Tobacco and Match Administration responsibility for distribution of staple products;

Given the Decree of 28 September 1977 concerning recording and real estate registration;

Given the Statute of 6 September 1982 on standardization of structures, standards, procedures and general principles of public administration;



Given the Statute of 22 August 1983 establishing within the Department of Financial and Economic Affairs a bureau of fiscal records.

Given the Statute of 31 October 1983 creating the Ministry of Economy, Finances and Industry.

Considering the appropriateness of reorganizing the Haitian fiscal system on a more rational basis in order to enable it to play its full role in the economic development of the country;

Considering that the tax law is a dynamic and precise instrument which is being modernized, and that the fiscal reform being undertaken by the government necessitates a new approach on the part of fiscal entities;

Considering, in consequence, that it would be desirable to bring together under the Ministry of Economy, Finances and Industry certain decentralized and autonomous agencies as well as some which are presently under other authority.

With the approval of the minister of economy, finance and industry; the minister for the office of the president; the minister of information and public relations; the minister of interior and national defense, and the minister of commerce;

And after deliberation in the Ministerial Council,

#### Decree

Article 1. There is hereby created within the Ministry of Economy, Finances and Industry a decentralized technical agency with nationwide jurisdiction to be known as "General Tax Directorate (DGI)." This agency will incorporate the Tobacco and Match Administration, the Directorate of Recording and Real Estate Registration, the Bureau of Fiscal Records and the General Tax Administration.

Article 2. The DGI is responsible for:

1) establishing the tax base, liquidating, monitoring and recovering all imposts, taxes, fees and duties (with the exception of customs duties) established by laws, whether destined for the public treasury or for regional administrations;

2) interpreting and enforcing the fiscal laws;

3) identifying and registering all taxpayers, including those who enjoy legal exemptions;

4) administering judicial sequestration, bankruptcies and intestate successions, the property of absentees or inadmissible persons, and the partition of community property;

5) recording and registration of real estate;

6) administering the funds in the Deposit and Consignment Office;

7) administering the private domains of the state;

8) representing the state in legal matters, whether as plaintiff or defendant;

9) the operation of all other services entrusted to it by law or administrative decision of the Minister of Economy, Finances and Industry.

Article 3. Effective as of the date of this decree, all imposts, fees, duties and taxes the collection of which has been entrusted to the General Tax Administration are to be collected by the DGI.

All laws now in force vesting fiscal or other powers in the General Tax Administration will henceforth vest those powers in the DGI under the same terms. All prerogatives hitherto vested in the General Tax Administration will henceforth and without exception be vested in the DGI.

Article 4. All disputes pending between the General Tax Administration and third parties of any kind will be taken over by the DGI. Obligations to the General Tax Administration will be paid to the DGI, as obligations of the said administration to third parties will be assumed and discharged by the DGI.

Article 5. Checks issued by order of the General Tax Administration in payment of fiscal obligations may be endorsed by authorized employees of the DGI and accepted by the Bank of the Republic of Haiti, the Central Bank, until such time as full publicity has been given to the modifications in the tax administration.

Article 6. All general operations of every kind (fiscal, commercial, social assistance) hitherto carried out by the Tobacco and Match Administration will be assumed by the specialized general government agencies as of the promulgation of this decree.

Article 7. Upon the publication of this decree, a three-member commission will proceed to make an inventory of real and other property in the possession of the Tobacco and Match Administration. This property shall remain the property of the Haitian Government.

Article 8. The census operations carried out by the Bureau of Fiscal Records will be continued without interruption by the DGI.

Article 9. All designations of parallel functions entrusted to the director general of recording and real estate registration, acting directors, receivers, signatory clerks or any other individuals are suspended and will be reconsidered in the order regarding operation and organization of the DGI. Employees of Recording and Real Estate Registration, whatever their responsibilities, will henceforth exercise their functions simply by delegation from the director general of taxes, under the terms elaborated by the Decree of 28 September 1977 on Recording and Real Estate Registration.

Article 10. The DGI is to be headed by an official to be called the director general. He will be assisted by a deputy director general.

Article 11. The organization and operating procedures of this decentralized technical agency will be established by order of the head of the executive

branch in the Ministerial Council, in accordance with Article 75 of the Organic Law of the Ministry of Economy, Finances and Industry.

Article 12. The present Decree abrogates all laws or provisions of laws, all decrees or provisions of decrees, all decree-laws or provisions of decree-laws which are inconsistent with it, and will be published and carried out at the instance of the minister of economy, finances and industry; the minister for the office of the presidency; the minister of information and public relations; the minister of interior and national defense, and the minister of commerce, each with respect to his own area of responsibility.

Done at the National Palace, in Port-au-Prince, on 21 January 1985, in the 182nd Year of Independence.

Jean-Claude Duvalier  
By the President

There follow the signatures of the ministers of state and ministers.

#### Clarification on Flour, Sugar, Cement

Port-au-Prince LE NOUVEAU MONDE in French 5 Feb 85 p 1

[Text] It is brought to the attention of the public in general and merchants in particular that in accordance with the Presidential Decree of 21 January 1985, published in LE MONITEUR No. 8-A of 28 January, putting an end to all of the powers vested in the Tobacco and Match Administration, sugar, flour and cement may be freely sold throughout the country. The factories may produce as much of these products as desired, without quota, and the fixed price for them will remain unchanged.

In addition, all other monopolies of the Tobacco and Match Administration, de facto or de jure, whether exercised or not, are hereby dissolved.

Port-au-Prince, 31 January 1985.

Frantz Merceron,  
Minister of State.

9516  
CSO : 3219/6

3 April 1985

HAITI

## CLOVIS DESINOR TO FORM NEW POLITICAL PARTY

Port-au-Prince LE PETIT SAMEDI SOIR in French 2-8 Feb 85 p.5

[Open letter to LE PETIT SAMEDI SOIR from Clivis M. Desinor]

[Text] Port-au-Prince, 23 January 1985

LE PETIT SAMEDI SOIR

27, Fontamara

Rue Dr. Douyon

Mr Editor:

With full respect for the law, in accordance with the wishes of the head of state, who wants to see the existence of political parties in order to facilitate the expression of real democracy, I would be most grateful if you would insert in the next issue of your independent publication this letter declaring my intention to form a political party. This party will base its actions on methodical analysis of objective information about Haitian realities; it will work to defend the exercise of all the fundamental freedoms and increase the participation of all the citizens in political life and activity, so that everyone may be involved in resolving the problems that concern them.

The head of state--who has clearly made an appeal for intelligence, good-faith willingness to serve, and the wisdom of honest citizens who have a profound respect for the serene science of the Law as well as the turbulent science of human rights--has urged all due haste with respect to "the establishment of the appropriate juridico-legal framework for increasing citizen participation in political life..." (sic); I remain persuaded that the decree will be published in a very short time, considering how much time has already elapsed.

I am convinced that this political decision will fulfill the patriotic and Christian desires of reasonable people.

Fraternally yours,

Clovis M. Desinor, Attorney.

9516

CSO : 3219/6

MEXICO

SOVIET AMBASSADOR ADDRESSES MEXICO CITY LIONS CLUB

F1091728 Mexico City NOTIMEX in Spanish 1945 GMT 8 Mar 85

[Text] Mexico City, 8 March (NOTIMEX)--The USSR's ambassador to Mexico, Rostislav A. Sergeyev, has said that diplomatic and political relations between the USSR and Mexico have matured throughout 6 decades and constitutes an example of peaceful coexistence and cooperation.

During a dinner held at the Mexico City Lions Club to commemorate the 60th anniversary of relations between the two countries, the Soviet diplomat said these relations, which rest on the principles of sovereign equality, mutual interest and respect, and nonintervention in internal affairs, reflect the good sentiments that each traditionally feels towards the other.

Sergeyev said the end to the arms race and the liquidation of the threat of war constitute a practical contribution to the cause of improving the international situation. He said the USSR supports joint efforts so this contribution can become more and more important. He praised the work of the countries, including Mexico, that signed the New Delhi declaration, saying it got the attention of the super powers so they will avoid nuclear war.

When questioned by the press on the disarmament meetings to be held between the USSR and the United States, the ambassador said the USSR does not want a third world war and that, for this reason, steps must be taken to prevent it rather than to start it.

He said the USSR has programs to liquidate, reduce, or freeze nuclear weapons. He spoke in favor of not using force in relations between NATO nations and Warsaw Pact nations. He said if countries prohibited the use of force, this would be an important step towards eliminating the threat of war. He was in agreement with establishing friendly relations between all nations but principally between the superpowers.

He said the USSR has no advisers in Nicaragua. He said the USSR has only diplomatic, political, and trade relations with Nicaragua and that the USSR has no interest in intervening in the internal affairs of Central America.

With regard to Contadora, he said that while the United States continues its policy of pretexts, there will be no peace agreement for Central America.

The former president of the Mexico City Lions Club, Guillermo Vigil Trejo, said diplomatic relations between Mexico and the USSR have always been characterized by absolute harmony. He stressed the fact that if all nations respected each other as Mexico and the USSR do, there would be no danger of war.

3 April 1985

## MEXICO

## COMPONENTS OF BAJA CALIFORNIA ECONOMIC DECLINE ANALYZED

Mexico City EXCELSIOR in Spanish 6 Feb 85 p 9-D

[Article by Javier Cruz Aguirre]

[Text] Ensenada, Baja California Norte, 5 Feb--Beset by shortages of raw materials, inputs, spare parts and domestic equipment, by the lack of timely financial backing and by endless bureaucratic obstacles to the marketing of their products domestically, 60 plants in this region went broke during the second half of 1984.

In what we might call the other side of the coin, the industrial hub of this port on the banks of the El Gallo River, a hub that was far removed from the city 20 years ago, is now flooding residential districts with runoffs of waste water, cement dust and the fetid smell of fish being processed into meal and oil, in open disregard of the City Development Plan.

Thus, with a chaotic, asymmetrical expansion 100 kilometers from California, the wealthiest market in the United States, the 529 local companies posted 1984 sales of 100 billion pesos, kept 30,000 people employed and contributed a total of 10 billion pesos to the federal budget in taxes and IMSS [Mexican Social Security Institute] contributions.

While the federal government puts forth efforts to boost the country's nonpetroleum exports, the head of CAINTRA [Chamber of the Manufacturing Industry], Alberto Ataola Vera, admitted that "the country's industrial output is expensive, of poor quality, meager and behind schedule. It is therefore impossible for us to plan our production, enhance our competitiveness and generate more jobs."

In 1984, 70 percent of the canned sardines, 75 percent of the canned tuna, 60 percent of the table wine and 50 percent of the fish meal consumed in Mexico were processed by the industrial plants in this the nation's largest (52,000 square kilometers) municipality, even though they were operating at only 70 percent capacity.

## Serious Limitations

Leonardo Murillo Davila, the chairman of the Ensenada Business Coordinating Council, asserted:

"Our limitations in public services infrastructure, water and land have kept out major domestic and foreign projects for industrial development. We simply do not have an industrial park large enough to cope with the project glut. And the fiscal and industrial corridor that supposedly exists between our port and Tijuana is little more than empty words."

Eighty percent of the plants here are medium-sized and small, and if they cannot obtain bank credit, they will not be able to get ahead and might go broke, as happened with 60 small plants last year, the CAINTRA head warned, adding:

"We realize that several Ensenada industrialists have neglected to take out loans from funds such as FOGAIN [Industrial Guarantee Fund] and FOPROBA [Basic Goods Production Fund] because they were uninterested. But the amounts of money that these funds earmark for Baja California are ridiculously small too. Tijuana and Mexicali soak it all up, leaving Ensenada with very little."

As if this were not enough, Articles 110, 111 and 112 of the federal government's Customs Code discriminates against Baja California industry in general by placing tariffs on the products it manufactures with imported inputs (which are taxed as well when they enter the free zone) and markets in the rest of the country.

In order to sell an article with imported components in Mexico, the applicant must register and fill out a 300-page file, in addition to depositing a bond against any commercial transaction.

## Ensenada's Role in Overcoming the Crisis

How can Ensenada help to resolve the nation's economic crisis, which has now been aggravated by the drop in oil prices?

Murillo Davila has proposed turning this port into a launching pad for domestic industrial exports and into a supply center for regional industry by integrating commerce and manufacturing with coastal shipping.

"To this end," he stated, it is vitally important to zone the port and, once and for all, to mark off the tourist area, the commercial area, the fishing area and the industrial area in Ensenada, so that we can harmonize the port's development and make use of the Ensenada-Tijuana fiscal zone, which is connected by two highways."

This is not a new idea. For two years now federal officials in Commerce, Finance and Communications have been turning a deaf ear to the suggestion.

Ensenada's greatest potential lies in fishing.

"It is a statistically proven fact," the head of CAINTRA emphasized, "that the country's largest fishing fleet is located in Ensenada. The 500,000 tons of seafood caught by local boats last year confirm it."

Our sources for this article ask: Will the sleeping giant awake?

8743

CSO: 3248/256



MEXICO

METROPOLITAN AREA COST OF LIVING RAW DATA

Stew Meat, Other Cuts

Mexico City EL DIA in Spanish 8 Jan 85 'Metropoli' Supplement p 9

[Excerpt] Naucalpan, Mexico, 7 Jan--The price of beef in the metropolitan municipalities of the State of Mexico has risen to as much as 1,100 pesos.

For housewives and consumers as a whole, the "takeoff" in the price of beef (steak and high-quality stew meat) has now become unrestrainable, while stew meat, the food with the greatest popular consumption, ranges in price between 500 and 600 pesos.

Based on a sample taken in the towns of Naucalpan, Tlalnepantla and Atizapan (Nzt), the housewives are refusing to pay the new price. Several of them agreed in stating that the only way to pressure the butchers is not to consume the product and to resort to entrails or vegetables.

In the view of housewives, the rise in meat prices occurred when the government authorized the hike in gasoline prices.

Nzt Survey

Mexico City EL DIA in Spanish 10 Jan 85 'Metropoli' Supplement p 9

[Text] Housewives and consumers in the Nzt (Naucalpan-Zaragoza-Tlalnepantla) zone are suffering anxiously, because butchers and meat markets have raised the price of a kilogram of beef which during the first weeks of last December still cost 800 pesos to between 1,000 and 1,200 pesos.

"Metropoli" toured several meat selling establishments in the leading markets in the Nzt zone, and encountered these exorbitant increases.

At the market located at Colonia Loma Linda, in Naucalpan, many housewives said that they no longer consumed pork and beef, because the price had shot up exorbitantly.

Aurelia Rodriguez, a housewife, when questioned at the Ignacio Zaragoza market in Ciudad Lopez Mateos, in Atizapan de Zaragoza, said that the hike in pork and beef prices "caught us all by surprise."

The butcher Alfonso Cuevas, from the Pochteca market in the municipal capital of Naucalpan, remarked that beef had undergone such an increase in price that sales to the public had declined considerably.

He added that the meat known as "assorted" which was being sold for 400 pesos cannot be bought now for less than 600 pesos per kilogram in the butcher shops of the low-price markets.

Other housewives who were interviewed said that it was now impossible to feed their children, because the price has doubled in less than a year.

They claimed that, before the product became expensive, mothers of small means opted not to purchase meat every day, but only once a week.

This newspaper learned that many people are not buying meat because their budget cannot afford it, owing to the rise in cost that has had its effect during the past few days.

#### Beef Cuts: 1,200 Pesos

Mexico City EL DIA in Spanish 12 Jan 85 'Metropoli' Supplement p 9

[Excerpt] For about 10 months, housewives have been experiencing disruption with beef prices. A kilogram of steak or high-quality stew meat costs 1,200 pesos; while stew meat (the food with the most popular consumption) is sold for 600 pesos.

Only during March 1984, a kilogram cost 600 pesos, and from June to December the price remained at 800 pesos; but just a few days ago it rose to 1,200 pesos. These prices on the meat market have been recorded in Huizquilucan, Naucalpan, Tlalnepantla, Atizapan, Villa Nicolas Romero, Cuautitlan-Izcalli, Cuautitlan de Romero Rubio, Tultitlan, Coacalco, Ecatepec, Ciudad Nezahualcoyotl, Los Reyes la Paz, Chalco, Chimalhuacan, Iztapaluca and other towns on the outskirts.

#### CONASUPO Conditional Sugar Sales

Mexico City EL DIA in Spanish 17 Jan 85 'Metropoli' Supplement p 9

[Text] Naucalpan, Mexico, 16 Jan--The CONASUPO shop at Estacas and Cerrada 20 de Noviembre, opposite the Pochteca municipal market in this town, is making the sale of sugar contingent on the purchase of other products.

The charge was made to this daily paper by the CROC [Revolutionary Confederation of Workers and Peasants] leader, Juan Alonso Bernal. The same complaint was backed by a large group of housewives from this town, led by Irene Mallen, Ester Perez de Aguilar, Irma M. de Vega, Teresa Deciga and Maria Ordonez.

Our informants claimed that, among the many abuses committed by the concession-holders at the CONASUPO official shop in Naucalpan, is the fact that the cashiers, in conjunction with the former, force the customers to take 500

pesos' worth of other products in order to be entitled to a 2 kilogram bag of brown sugar.

Those making the complaints said that the cashiers wait for the housewives and consumers as a whole in a despotic manner, when they appear at the cash registers, stating: "With an order; if not, nothing!"

Both the CROC leader and the housewives that have been mentioned say that 80 percent of the low income families who go to the CONASUPO shop are prevented from buying sugar, because they lack the money to purchase other items.

The leader claimed that, at the CONASUPO shop at Estacas and Cerrada 20 de Noviembre, the clerks force consumers to buy canned products. Our informant added that, nevertheless, they refuse oil, beans, eggs, white bread, rice, sardines, etc.

He concluded by reporting that, at the CONASUPO supermarkets in Atizapan, on Avenida Presidente Lopez Mateos (next to the Ignacio Zaragoza market) and the one on Aldama, in Tlalnepantla, they do not give any price for sugar, claiming that "it has not reached us yet."

#### Pork at 950 Pesos

Mexico City EL DIA in Spanish 20 Jan 85 'Metropoli' Supplement p 9

[Excerpt] Suddenly, the butchers in the municipal markets have raised the price of pork to 950 pesos per kilogram, to the displeasure of housewives and consumers as a whole.

This disclosure was made by labor leaders and residents' leaders on the outskirts of the Federal District.

#### Beef Cuts: 2,000 Pesos

Mexico City EL DIA in Spanish 30 Jan 85 'Metropoli' Supplement p 9

[Excerpts] Butchers and retailers on the outskirts of the Federal District, in open rebellion against the commercial authorities, have set the price of 1,300 pesos for beef (high-quality stew meat and steak), while stew meat, the food with the greatest popular consumption, sells for from 500 to 600 pesos, depending on the place where it is procured.

To the butchers in Naucalplan, Atizapan and Tlalnepantla (NXT zone), there is no price of 900 pesos, set by the competent authorities; while the so-called choice cuts, such as filet, sirloin, eye of round, "tapa" [a cut from the "round"], "contratapa" [a cut from the "round"], etc., sell for as much as 2,000 pesos per kilogram.

Stew meat (a food with the largest popular consumption) is selling for 500 pesos (noting that it is more bone than stew meat), and the meat for steak has remained for 2 weeks at 1,300 pesos, and at 2,000 for filet, sirloin, etc.

2909

CSO: 3248/242

MEXICO

# HARSH SKETCH OF SECRETARY'S MORELOS PROPERTY DRAWN

Luxury, Poverty Juxtaposed

Mexico City POR ESTO! in Spanish 27 Feb 85 pp 14-17

[Article by Walter Lopez K.]

[Text] Ticuman, Tlaltizapan Municipality, Morelos, Feb 1985--"Who knows but I think the man must be paying something....Everything is cared for so well...." A humble peasant with dark skin from the burning sun of the cane zone in this state told us this. He wore the huaraches and hat typical of the poor people in the countryside. The rest of his attire only confirmed his place among the exploited and his extreme lack of economic resources.

The man--one of the millions of agricultural workers without land--was about 30 years old. His projecting cheekbones and his physical appearance in general revealed a lack of adequate nourishment. His coffee-colored eyes reflected a life filled with frustrations and resentments that are accentuated now when he looks out in the distance toward the country estate of the head of the Secretariat of Planning and Budget, 36-year-old Carlos Salinas de Gortari.

He repeated: "He must pay something. He has so many armed people caring for that house and he is always surrounded by so many gunmen when he comes." The man interviewed related how the secretary, nephew of the infamous IDB official Antonio Ortiz Mena, comes to spend the weekend here at least once or twice a month. "They bring him by helicopter and leave him there by the oil well that they were doing near the Alejandra colony a few kilometers from here. After him come up to eight or nine patrols....When he arrives at his house, he swims, plays or has his drinks...as if he did not pay anything...."

The peasant was accompanied by several relatives. Once his fears were conquered, he kindly agreed to be interviewed by the reporters of POR ESTO! but noted the danger for him and his family in answering our questions. When he felt he had obtained the necessary guarantees of secrecy, he gave us the above information. He commented that Carlos Salinas de Gortari tried to take over all the lots that border the hectare on which he originally ordered his country house built.

Those same lands had been small properties used for agriculture. The peasants paid rent and planted cotton, corn and other products. This was their way to subsist or supplement their income "but then they divided them. About 2 years ago, they brought many people here to build the house for that man. They soon had it finished" with a pool, tennis court, library and many other luxuries. These contrast enormously with the poverty felt on the other side of the wall that isolates and protects the property of "that man." Thus he is hidden from the view of the many hideous faces of poverty of the Mexican people so he can relax after having fervently defended morality and austerity, revolutionary nationalism, in all the forums he goes to.

#### Insulting Ostentation, Poverty Around It

In order to understand the way Carlos Salinas de Gortari interprets austerity and revolution, it suffices to look at the stone wall that surrounds the estate. It is more than 2 meters high and about 400 meters long. Its construction, obviously well planned and budgeted, must have cost millions of pesos; we cannot calculate how many. It took enough to surround an area of about 10,000 square meters with good material, with towers of solid cement every 5 or 6 meters. The work was done about a year ago. This plus the cost of the house, the land, maintenance, the tennis court, pool, etc., might have easily cost about 250 million pesos.

Then there is the interior. It is said that the house "is very luxurious and has many bedrooms and bathrooms." Outside there are large gardens filled with plants and ornamental trees. The bougainvilleas stand out because of their showiness. Thanks to good care, abundant water and the mild climate, they present a beautiful sight. However, many homes in the area still do not have potable water and the people must go to the streams to get this indispensable liquid as well as to bathe and wash their clothes.

Naturally, the main objective of POR ESTO! in visiting Ticuman was to learn something about the interior of this country house which is a veritable mansion. We wanted to be able to tell our people about the luxuries given to those who have condemned the peasants, the workers and other members of the popular classes to live under the plundering dictates of international banking. Our first attempt was through the main entrance. Access is made through a select division in which a few rich--some not so rich and "that man" who is obviously richer--have their vacation homes. It is strange not to find any security at this point. The gate is wide open and on the left, a few centimeters above the ground, is a small sign that says "Tabachines." The gate and the sign would make anyone think that austerity is taken seriously. The good part lies beyond.

Going in by a cobblestone road of regular width, houses can be seen on both sides. Based on their appearance, they must belong to medium rich people--nothing extraordinary. A few meters further, the great stone wall begins on the right. Only trees and plants, a small white dome and the part of that house used for the library, covered with a reddish roof, can be seen.

## Snail Called Benjamin, Precautions

In front of us, entertaining himself by filling two jars with gushing water, was "El Guarura" [The Snail]. His face and position are not friendly. It is obvious that the curious are not welcome. When the reporters tried to begin a conversation with this individual, four or five more unfriendly people planted themselves at the entrance of Carlos Salinas de Gortari's mansion. Once the jars were filled with water, two employees looking like local peasants took them to water the plants at the end of the road.

During the interview we already mentioned, our informant had talked about "El Guarura." "He says his name is Benjamin and he has been here for some time. He and two others who are no longer here picked a lot of fights with the townspeople and hit and threatened several people with pistols. Finally, we in the town formed a group and went to the authorities to complain and ask that they no longer fight with us....Now he behaves well but he is not to be trusted. Be careful with him if you go there." Warned about him and warned that the majority of the employees who take care of Salinas de Gortari's house were armed, POR ESTO! decided to be extremely careful.

"El Guarura," an athletic type, was always cautious and wary. It is obvious that it is best not to provoke him. He answered questions related to the neighborhood, the cost of the land there, the reason for his presence on the property of the secretary of planning and budget and other questions with an abrupt and dry "I don't know." There was no chance to photograph him or his comrades who remained at a distance. It was useless to even try to get closer to the mansion. "El Guarura" said: "They are reporters." He laughed in a sinister way when he saw the camera, pointing out that we were on private property. He did this with obvious relish, calmly dragging out the words and feeling powerful on the land under his not so effective security. Once out of there, the reporters looked for the right time and place to poke their noses over the wall to the prohibited land.

## "Paco" Rojas Gutierrez Does Not Worry Salinas de Gortari

Little could really be seen of the inside: some flat land and, at the back, part of the main construction, all very well cared for and demonstrating that Paco Rojas and the famous "after-Christmas slump" along with the wage ceilings and constant increases for articles of primary need did not worry the owner. A few meters away from the house in our direction and also behind the wall was the "caretaker's" house. The watchman of the estate is known as the "caretaker" in Ticuman. It is a good house. It would be envied by the majority of those here who serve that man. This house is a well built red brick house of normal size from what can be seen.

Going back to the interview and Carlos Salinas de Gortari's intentions to increase the dimensions of his property in Ticuman, it has been spread through the town that at least one of the immediate neighbors in the division itself has already sold about 10,000 square meters to "that man who wants to buy it all." Although the name of the seller is not known--the outsiders who buy lots in the divisions seem to prefer to remain far from the local residents--

it is known that a man named Ceja, a resident of the Federal District, is the trusted associate of that minister. He comes to represent his interests although more details are not known for the reason stated.

### Spirits Dropped, Fear Flourished Everywhere

After taking note of the above, POR ESTO! went to visit some other people in Ticuman, trying to expand on the information or confirm what had already been obtained. Almost everywhere we found refusals to expand on the subject. Very few people agreed to comment on any aspect of what we already knew and then only under the condition of absolute secrecy. Although the residents always welcomed us kindly and even cordially, when they learned the reason we were there, their spirits dropped and fear flourished. In Ticuman, fear forces the people to silence. For the same reason, Carlos Salinas de Gortari's presence is viewed suspiciously in this part of the Municipality of Tlaltizapan.

It is fitting to add one fact more. The master contractor, Jose Rivera, was in charge of the project that we see today converted into a place of rest and recreation for the fascist technocrat who heads the Secretariat of Planning and Budget. Jose Rivera himself is like the genie in A Thousand and One Nights. He made a mansion appear almost overnight in Ticuman. Now he is in charge of building one more home for the family, in this case for the ancestor of the main character in this report, Carlos Salinas de Gortari--that is, Senator Raul Salinas Lozano.

### Public Money Misuse Charged

Mexico City POR ESTO! in Spanish 27 Feb 85 pp 14-15

[Text] Ticuman is a small town of barely 5,000 inhabitants (a sign at the entrance announces more than 3,500). Almost all of its population is involved in activities proper to the Mexican countryside. They are agricultural workers and small owners who, as a whole, do not demonstrate much economic power. This is translated into an absence of paved streets and homes without potable water, electricity and other public services. Progress for the few who progress is limited. Poverty is the common denominator, according to our observations.

Now the previously bad Ticuman-Yautepec road here, some 5 kilometers long, has been totally redone. Although there is still a small segment to rebuild, the lines on the road and the highway signs can be called perfect. They have not added more lanes to the two already existing. The "scarecrows" and the lines on both sides and in the middle to delineate the lanes appear to be newly painted. About 1,000 large pots glittering with white paint have been placed all along both sides of the asphalt road approximately 10 meters apart. Each of them contains a small tree recently transplanted from we don't know what nursery.

What is the reason for all this? Whose idea was it? Did the governor of Morelos, Lauro Ortega, do it to flatter Carlos Salinas de Gortari or did

Carlos Salinas de Gortari do it himself to provide any possible visitors a luxurious access route to his mansion in Ticuman? The money that has been squandered here is a cruel mockery and a betrayal of our people who daily see less and less food on their tables. Meanwhile, a few have mortgaged our country and, at the same time, show off a wealth that does not belong to them. This wealth has been produced by the suffering and efforts of the people and snatched away from its real owners.

That money which is more urgent than ever today to invest in meeting the most pressing needs of the underprivileged classes of Mexico, squandered on the Ticuman-Yautepec road, is one more slap in the face to the famous revolutionary austerity delivered by the same people who preach it and say they defend it.

If it was not Carlos Salinas de Gortari who made the investment in that road of shame, he did not have to permit this useless expenditure from his position as secretary. Therefore, he still has responsibility for it.

The scorn being shown for the needs of our fatherland is criminal and the guilty party....Bah! What can happen to the guilty party if he belongs to the great revolutionary family?

7717

CSO: 3248/254



MEXICO

LITTLE SHIPPING, LOW RATES CUT INTO SMT'S PROFITABILITY

Mexico City EXCELSIOR in Spanish 7 Feb 85 p 35-A

[Article by Roberto Sosa Gonzalez]

[Excerpts] Coatzacoalcas, Veracruz, 6 Feb--A century ago some proposed a commercial link across the Isthmus of Tehuantepec between the gulf and the Pacific. Someone else thought about having eight railway lines simultaneously carry the enormous steamers from one side to the other. Neither idea worked. Today, we have the state-run SMT [Transisthmian Multimodal Service] and its unsuccessful "container cargo" plan; it is operating in the red 4 years after President Lopez-Portillo inaugurated it.

The administration of President Jose Lopez-Portillo set up the SMT in light of the congestion in the Panama Canal and with an eye towards making money for the federal government. The text of the project reads: "Given the privileged geography of the Isthmus of Tehuantepec and the proximity of the two ports, suitable conditions exist for establishing Mexico's first land bridge between the Atlantic and the Pacific for the transportation of cargo in containers."

Outstanding Foreign Loans

A billion pre-devaluation pesos were spent just on port infrastructure here and in Salina Cruz. The state-run enterprise still owes the money, in dollars, to overseas creditors. Slow business and low rates have apparently led to the failure of the project. Users are charged only one-fourth of the rate between New York and San Francisco or Los Angeles.

In a word, the SMT is a flop, said Jorge Meneville Porte Petit, a federal deputy from Orizaba and chairman of the House Coastal Committee. He made the remark after traveling the container service route with other lawmakers. He saw "countless freight cars parked all along the route." The same shortcomings as with Ferronales are involved.

To avoid the overcrowded railways, the containers are also shipped by road on trailer trucks. But the problem here is that the road, which is rarely given maintenance, is in awful condition, and the merchandise is damaged. "The service is not working...I don't think that people will risk shipping their cargo over a road that looks that bad. We have to subpoena the heads of the state-run enterprise and the Communications and Transport Secretariat," Meneville emphasized.

The SMT posted a 60-million peso loss in 1984.

8743

CSO: 3248/256

MEXICO

BRIEFS

FINNISH CRANE TECHNOLOGY--Mexico can now manufacture any type of crane for handling loads of up to 30 or 40 tons, especially in port operations. This information came out during the documentary on these pieces of equipment that the Finnish Group Finnport Team showed yesterday. In attendance were Jaime Luna Traill, the executive director of the National Ports Coordinating Commission, and Rolando Velazquez, the director of port operations of the Secretariat of Communications and Transport, both of whom are engineers. Also viewing the documentary on modern cranes were the Finnish ambassador to Mexico, Mr Pentti Talvitie; Mr Hans Luft, the president of Kone Industrial Equipment, and Anssi Soila, the director of Kone in Mexico. Ambassador Talvitie stated that under an agreement that Finland and Mexico signed in 1975, equipment with Finnish technology is being manufactured here. [Text] [Mexico City EXCELSIOR in Spanish 7 Feb 85 p 18-A] 8743

CHIAPAS: CIOAC, CNC CLASH--Simojovel--Owing to land tenure problems and political differences, peasant farmers from the same ejido but belonging to different organizations were involved in a gunfight, and one of them was kidnapped. The regrettable incident took place on 21 January at the Saclum ejido in this municipality, where some peasant farmers belong to CIOAC [Independent Central Organization of Agricultural Workers and Peasants] and others to the CNC [National Peasant Confederation]. Luis Lopez Vazquez, the secretary general of the CIOAC, reported that a problem had arisen a few days before over landownership and to avoid clashes with their colleagues, the CIOAC members abandoned the lands on which they were living. A few days later, however, a peasant farmer assembly decided that they should return to their lands, where they were met with gunfire from the CNC affiliates, who kidnapped ejido member Agustin Perez Lopez. Since they have heard nothing about his whereabouts, they fear that the CNC might have killed him. The CNC peasants say that they are holding him at the Chalchihuitan jail. This is not true, according to Luis Lopez Vazquez, because CIOAC members have already been to Chalchihuitan and did not find Perez Lopez in jail or anywhere else they looked. He is thought to have been killed in some remote spot. The situation has been tense since Perez Lopez's disappearance, says our source. This could lead to another confrontation, but justice officials could prevent it if they intervened and cleared up the kidnapping. [Text] [Tuxtla Gutierrez LA VOZ DEL SURESTE in Spanish 3 Feb 85 p 7] 8743

3 April 1985

ILLEGAL SALVADORAN IMMIGRANT FIGURE--Entire families of Salvadoran peasant farmers and workers have arrived in the country over the past 3 days to remain here or cross the border into the United States, and there are now 200,000 Salvadorans who are in Mexico illegally, asserted Emanuel Saloma Zacarias, the Salvadoran consul in this city. [Text] [Mexico City EXCELSIOR in Spanish 1 Feb 85 p 1-C] 8743

PEMEX ADMINISTRATIVE RESTRUCTURING SAVINGS--Mexico City, 2 March (NOTIMEX)--Over 500,000 tons of unused materials worth 80 billion pesos (approximately \$20 million) have been recovered abroad as part of Pemex's administrative restructuring program. In this way, by eliminating storage charges abroad, Pemex has reduced freight charges and services saving 46 billion pesos in addition to using available materials. In 1984, investments for the purchase of equipment equaled in real terms to half of those purchased in 1982. Likewise, within Pemex's administrative restructuring program, resources have been allocated and projects subject to an uncontrolled growth process have been cancelled or postponed. In this way, the use of foreign currency for operation costs and investments in circulating [corrientes] dollars was reduced from \$4.5 billion in 1982 to only 1.6 billion in 1984, without affecting production goals which were completely fulfilled. [Excerpts] [Mexico City NOTIMEX in Spanish 2215 GMT 2 Mar 85]

CSO: 3248/270

PERU

# SILVA RUETE CONSIDERED PROBABLE APRA FINANCE MINISTER

Lima UNIDAD in Spanish 21 Feb 85 p 3

[Text] On 28 July 1985, the new government will receive a country stricken by the economic disaster caused primarily by 4 years of a PPC [Popular Christian Party]-AP [Popular Action] regime. During this entire year, actually, for all of these 4 years, Javier Silva Ruete has been an exhaustive critic and analyst of the economic issue in Peru. As for experience, he has it. As for his knowledge of what is happening and what will happen, no one would dispute it. That is the reason that Silva Ruete is in APRA's [American Revolutionary Popular Alliance] line of vision.

Sources very close to the APRA secretary general and presidential candidate, Alan Garcia Perez, claim that Silva Ruete will be the next minister of economy and finance if APRA wins the forthcoming elections.

Silva Ruete was already endorsed by consensus at the premises on Alfonso Ugarte Avenue to hold the extremely difficult portfolio. But let's see: Who is Silva Ruete? What is Silva Ruete's career?

Javier Silva Ruete is certainly an economist with entrenched prestige. He is an adviser to several Central American countries. He held the economy portfolio during the Morales Bermudez government. He has written several books in his special field. He was also minister of agriculture during the Belaunde government. During the past few months he has participated actively in the APRA Government National Plan Commission (CONAPLAN). At present, Silva Ruete is head of Solidarity and Democracy (SODE), an institution devoted to research on the country's economic, political and social problems.

Silva Ruete: Employee of the Multinationals

Javier Silva Ruete was sworn in as minister of economy and finance on 20 May 1978. By the end of 1977, everything had been carefully prepared. The United States' international banks had reached the conclusion that there should be in the economy and finance sector a group of individuals who, having worked for a long time under the instructions of the American financial institutions, could successfully coordinate all the colonial policy of that empire in Peru. Silva Ruete was an official of the Andean Development Corporation, an entity affiliated

with the Inter-American Development Bank (IDB), one of the institutions directing the American imperialist economic policy abroad.

After Silva Ruete had joined the Morales Bermudez government, a few days later his team of technocrats also assumed office: Manuel Moreyra Loreda as president of the Central Reserve Bank, and Alvaro Meneses as president of the Bank of the Nation..

In the event that APRA should win the elections on 14 April, Silva Ruete would be accompanied by Manuel Moreyra (both from SODE) and other technocrats in the administration of that ministry.

Silva Ruete, considered the "heavyweight" of APRA's CONAPLAN, would consistently implement the views of three American institutions: the International Monetary Fund, the World Bank and the Inter-American Development Bank (which also operates through the Andean Development Corporation).

#### The Free Market Economy

The results of the Silva Ruete-Morales Bermudez economic policy are clearly evident. Silva Ruete started the process of the multinationalization of our economy, and the indicators prepared by the very government agencies responsible for devising them could corroborate this.

Minister Silva Ruete's marked desire for the modern market economy could be found in the first television address and from a radio broadcast of 14 June 1978, explaining his assessment of the current economic situation. From his first address one notes Silva Ruete's lack of sensitivity in understanding the leading national problems and, in particular, those which beset a vast majority of Peruvians who are now living under conditions of extreme poverty.

The application of the liberal patterns which left the market forces acting at will is precisely one of the main causes of the recession and unemployment in our country. According to the INE [National Institute of Statistics], during the period 1976-79, the overt unemployment increased from 5.2 to 7.1 percent. In figures, this represented nearly a million unemployed and underemployed.

According to sources from the Ministry of Labor, in 1975 there were 2,278,900 individuals not adequately employed (underemployed and absolutely unemployed, combined); while in 1978 they totaled the enormous sum of 3,088,400 persons who were absolutely unemployed and underemployed. In other words, those not adequately employed had increased by 35.5 percent in only 3 years.

In the next issue of UNIDAD, we shall continue Silva Ruete's career; and we shall judge his options for solving the problems of recession, unemployment and the foreign debt. We think that the hypothetical APRA minister of economy, Javier Silva Ruete, is the International Monetary Fund's last card.

2909

CSO: 3348/420

3 April 1985

PERU

## APRA PROMISES TO SELL GOVERNMENT NEWS MEDIA

PY152328 Paris AFP in Spanish 2357 GMT 14 Mar 85

[Text] Lima, 14 Mar (AFP)--American Revolutionary Popular Alliance [APRA] presidential candidate Alan Garcia announced here today that if the APRA, which is the favorite forerunner wins the elections, it will sell the state communications media, composed of a TV channel, the Andean News Agency, and the newspaper LA CRONICA.

Upon his return from Brazil where he found that President-elect Tancredo Neves shares the opinion that the problem of the foreign debt calls for a political solution, Alan Garcia made the above remark before departing for rural areas in order to continue his electoral campaign.

Garcia explained that the government daily LA CRONICA, of Lima, is a financial burden for the state, in view of this, once in power the APRA will not be stupid enough to keep it, but will close it down or turn it over to the workers to run it as a cooperative.

As to the state-owned Andean News Agency, Garcia explained that it has continued to be the old mouthpiece for the military regime because it continues with its outrages and, worse still, at the service of the presidential candidate of the current government, Javier Alva.

He concluded by saying that state-owned Channel 7 will be turned over to some university or the (state) National Institute of Culture, but will never be placed at the service of government candidates. He stressed that the APRA regime will only run the official gazette, EL PERUANO.

CSO: 3348/479

PERU

PERCOVICH SAID PURCHASING UNAUTHORIZED ARMS FOR POLICE

Lima EL DIARIO DE MARKA in Spanish 22 Feb 85 pp 10-11

[Text] Prime Minister Luis Percovich Roca will have to answer to the country for the sum of \$39 million which he authorized to be spent during his tenure as minister of interior for the purchase of weapons and general equipment for the police forces which, at the current exchange rate, represents 273 billion soles, without accurate substantiating documentation.

The issuance of 15 ministerial resolutions under Percovich's signature for the aforementioned amount was charged to the emergency foreign debt which the government had authorized for the sum of \$65 million without any need for the requirement for public bidding, nearly 3 years ago, leaving to each police institution the authority to seek suppliers through the "invitation" system, because "military secrecy" was involved.

The fact that both the Civil Guard (GC), the Republican Guard (GR) and the Investigative Police (PIP), through their respective superior administrations, sought on their own the suppliers who would offer the best terms, depending on the judgment of each institution, and ultimately endorsed by the minister's decision through the respective resolution, caused uneasiness in military circles.

And it was not without reason, because the most elementary reasoning would indicate that the feasible conduct would be to undertake a uniform purchase of equipment, not different for each institution, seeking prices within the reach of the state and optimal quality.

However, under the classification of a "military secret," the then interior minister did not consider himself, nor was he obliged to provide the chairman of the Chamber of Senators' National Defense-Police Forces Commission with the documentation that would justify the purchases that he was authorizing through the resolutions which he signed.

In this connection, it was learned that Senator Jaime Cheneffusse only obtained from Percovich the list of the resolutions issued, the amount of each in dollars and the name of the bidder who received the award; but Percovich did not submit to him the bids from the four firms which had attained the first four ratings.



And the documentation on that point was essential for proving that there had been no favoritism in granting the award.

It should be noted that Percovich's predecessor in the Interior Ministry, Enrique Rincon Bazo, halted the process of bidding by "invitation" that the policy institutions had put into effect, for reasons that were never made known. The position was commented upon ironically by those who felt frustrated.

With Luis Percovich's entry into the office of the Interior Ministry, among other purchases which he immediately authorized were 12,665 Smith & Wesson revolvers, 1,497 automatic pistols, 4,397 Galil automatic rifles, 2,866 Uzi sub-machine guns, 6,000 offensive and defensive hand grenades, 9,516 smoke grenades, vehicles, parachutes, knapsacks, bullet-proof vests, etc., costing a total of \$39 million.

All this was ordered to be purchased under the classification of "military secret." But it is no secret that, for example, the Galil rifles and the Uzi sub-machine guns of Israeli origin are not exactly the best on the international market, and that they are not even used in their country of origin, and there must be some reason for that.

As for the prices, which most affect these purchases, according to experts on the subject they are not exactly the lowest ones.

#### Recalling Another Arms Deal

Not long ago, this business of the "military secret," a very special classification, served for an attempt to foist upon the Army no fewer than 200,000 Argentine FAI rifles which proved to be genuine scrap rifles, at a scandalously high price; which attested to a deal with features of treason to the nation, but which was thwarted by the charges that we brought in EL DIARIO.

On that occasion, the government news media, such as CARETAS, OIGA and others, not only defended the purchase of those scrap guns, which put the Peruvian Army at a serious disadvantage with respect to its neighbors to the south and north, but were more concerned about finding out how we had procured the documentation classified as a "military secret," which was never denied, but which served to stop a dirty business deal to the detriment of the nation.

Senator Jaime Cheneffusse, in his capacity as chairman of the Police Forces-National Defense Commission, should remember that the former minister of interior, Luis Percovich, only gave him the list of resolutions that he had issued, providing an account of the amount of each and of the signer of the award.

And Cheneffusse should also recall that another official note was sent to the same Minister Percovich in June 1984, to send him, among other things, the photocopies of the four bidders who received the highest number of points in the bidding by "invitation" for envelopes 1 and 2, as well as the minutes of the Economic Board meeting to make the award, and the order that they had attained in the ratings, as well as the minutes of the technical committee

meetings, which were not provided. And this has lent itself to conjectures of various kinds.

The rocks have been making so much noise in the murky river waters that the Office of the Comptroller of the Republic has started a confidential investigation of these purchases, as has been reported; and they should not come again now with the scolding about "how the documentation was procured" in this case, as in the one involving the Argentine rifles.

It is not because of the fact of its being a "military secret" that there will be a failure to check the correction of what has been done, or vice versa.

#### They Should Render an Accounting

Former Interior Minister Percovich has disposed of \$39 million out of the \$65 million authorized by the government, and there needs to be an accounting for \$26 million. The investigation cannot be delayed, for obvious reasons.

However, it is said that the present interior minister, Gen (ret) Oscar Brush Noel, is about to travel to Israel along with high-ranking police chiefs to conclude the purchase of the equipment and weapons. If this is true, the trip would prove unfeasible before information is made available concerning the investigation due to be opened by Senator Jaime Cheneffusse, with the results arrived at by the Office of the Comptroller General of the Republic at hand.

The images of the three police forces are badly hurt by the public events reported daily by the newspapers, to add another really critical feature such as the one involved in this issue of equipment for the police forces amounting to 445 billion soles at present.

2909

CSO: 3348/420

PERU

BRIEFS

TRADE AGREEMENT WITH EL SALVADOR--Peru and El Salvador on 7 March signed a trade agreement by which preferential treatment concerning tariffs, consular fees, and import and export taxes is mutually granted. The agreement was signed at the Foreign Ministry by Peruvian Foreign Minister Luis Percovich Roca and by his Salvadoran counterpart Jorge Eduardo Tenorio. [Excerpt]  
[Lima Cadena Panamericana Television in Spanish 0300 GMT 8 Mar 85 PY]

CSO: 3348/476

URUGUAY

PIT-CNT MAINTAINS ACCORD HAS FAILED TO FULFILL OBJECTIVES

Montevideo LA MANANA in Spanish 5 Feb 85 p 4

[Text] A few hours ago the Expanded Representative Board of the PIT [Interunion Workers' Assembly]-CNT [National Workers Confederation] unanimously decided to reject the proposal to institutionalize CONAPRO[National Conciliatory Program] beginning 1 March.

This position against the Colorado Party's initiative was accompanied by a statement that the formation and operation of the National Economic Council or other similar organizations are without interest, untimely and of questionable progressive content.

The PIT-CNT statement passed unanimously by the representative board is as follows:

1) The general strike with which the working class confronted the military coup of 27 June 1973 marked the need for the formation or agreement for an antidictatorial front that included all the democratic and patriotic forces in order to overthrow the dictatorship.

The union movement worked consistently on this task.

2) After more than 11 years of dictatorship, the people have elected a civilian government and the dictatorship has a set date to leave. The correctness of the efforts of the union movement in this direction is obvious today.

3) However, to the union movement, the agreement was not and cannot now be only to achieve the final overthrow of fascism on the political plane. It was also directed toward creating the conditions so that the new democratic government once in office would undertake solutions to the in-depth problems of the republic with a definite popular context.

4) The union movement encouraged the agreement to keep the replacement of the dictatorship by a democratic government from being merely a return to the democracy of the past: a democracy without social context that, with other matters that are irrelevant now, led to the coup d'etat.

5) The democratic content of the agreement encouraged by the union movement was and should continue to be aimed at achieving measures that go to the

bottom of the basic problems that affect national life. Only in this way can the bases for an authentic democracy, a stable democracy oriented toward social justice and the independent development of the country, be established.

6) At this stage in the country, the November elections picked the candidate of the Colorado Party to be president. The representatives of the industrial and landowning bourgeoisie at the negotiating table, together with the traditional parties that definitely represent the same interests, want to give the agreement an orientation that is opposed to what the union movement stated and encouraged.

7) There has been no commitment on any basic question: general and unlimited amnesty; wage increases; repeal of repressive laws; restructuring and improvement of labor laws including those on Wage Councils, Foreign Trade and Education; bank nationalization; land problems; suspension of payment of the foreign debt; etc. There have also been attempts and still are so that the agreement help them impose an agreement of social peace, a nonaggression pact, on the union movement while dismissals of workers for being union militants or for complying with union resolutions continue. They want to distort the agreement in order to continue the poverty that the working class and the people live. They want to turn it into something like the treasonous Moncloa pact.

8) This situation has been aggravated by the position of the Colorado Party. It tries to use the so-called Economics Council, inserted in the Constitution by the Terre dictatorship in 1934, as the Planning Office to form new negotiating boards in which the political parties would not participate.

This proposal by the Colorado Party not only diminishes and changes the nature of the agreement but would prevent any commitment to important matters like urgent changes.

9) The union movement must oppose the creation of new negotiating boards. It must oppose the delay and discussions that prolong these matters and avoid analysis and resolutions about how the new government should face the problems that the people demand be resolved.

10) We must evaluate the results of the agreement, although minor, because they are important.

Beyond the results obtained, we must see how the agreement in this new historical stage in Uruguay is nothing more than a new form of class struggle where the representatives of the workers must react under different conditions toward the classic forms used earlier by the union movement. At the negotiating table, the representatives of the working class must act with great sensitivity from the class point of view in order not to renounce any principles of the workers.

Therefore, we state that the representatives of the PIT-CNT in the agreement have worked well in defense of the principles of the union movement. No one can point out any renunciation.

11) To the union movement, the agreement was conceived as a way to demonstrate to the people who is responsible for the poverty in the country and who opposes the necessary changes to take the country out of the tremendous economic crisis into which it was led by the governments since the end of World War II. The dictatorship deepened the crisis enormously.

12) In summary, beyond results, the facts confirm that the agreement as a tactical line of the union movement was just. It was oriented toward uniting all the social, political and patriotic forces in order to overthrow the dictatorship and then agree about the immediate problems as well as the in-depth ones to insure the consolidation of democracy and freedoms in the republic.

13) Therefore, the union movement must continue with its struggle and its actions both outside and within the agreement.

7717

CSO: 3348/424

URUGUAY

LANZA SAYS MUNICIPAL TAX INCREASE 'UNAVOIDABLE'

Montevideo LA MANANA in Spanish 7 Feb 85 p 3

[Text] The future mayor of Montevideo, Dr Aquiles Lanza, stated that an increase in tax rates will be unavoidable in order to generate resources. He also pointed out that "we will try to be as fair as possible from the social point of view so that the greatest burden falls on the people with the most resources." He confirmed what Julio Iglesias said about the disastrous condition of the city from the economic and financial point of view.

About the application of taxes, Lanza stated: "It will be unavoidable. Municipal resources are obtained from taxes, fees and all the elements that have to generate resources."

He stated: "We will try hard to be as fair as possible from the social point of view so that the greatest burden falls on the people with the highest income. In that way, it will be possible to meet the needs of the municipality without having the lower-income people suffer the consequences of this administrative disaster of the government in recent years."

As to activities for 15 February, the future mayor stated: "The people will gather spontaneously. We are not organizing anything. The people will demonstrate their joy about this important step, the return to democracy, when legislators and mayors all over the country take office."

Disastrous Situation

Dr Aquiles Lanza revealed: "I completely confirm the statements that Iglesias, who is going to be director general of the Finance Department, made yesterday (Tuesday) to the press. The financial situation of the municipality is absolutely disastrous."

He explained: "The lack of financing reaches levels that we cannot imagine. This is obviously related to a budget never corrected during all of 1984 which did not foresee inflation. In addition to the great number of employees who have joined the municipality during the past year, more than 2,000 people have been appointed. This obviously very seriously affects the municipal budget. We will have to adjust the necessary mechanisms in order to balance them because that is our duty. The central government cannot come to our aid since it has its own problems due to the fiscal deficit which is enormous."

## Reserves Disappear

Asked if the city will begin to function with solutions next 15 February, Lanza explained: "We will begin as soon as possible because time is passing. The reserves that the municipality had accumulated during Dr Rachetti's administrations have practically disappeared. When we take office, we will not have the resources to take care of the basic needs of the municipality without even considering any special or more ambitious plan at this time."

He pointed out: "This means adjusting our program to a concrete reality. As bad as we thought this was going to be, it is much worse. There will be an audit as we have stated. We will ask the Court of Inquiry to participate and we are going to make our own quick balance to inform the people immediately after taking office."

He concluded: "The entire country is in a state of emergency, all the municipalities and the central government. The municipality of Montevideo has dealt with this situation lightly all these months."

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CSO: 3348/424



3 April 1985

## URUGUAY

## BRIEFS

NEW DEPUTY POLICE CHIEF--The interior minister has designated Inspector General Venancio Quintana as new deputy chief of police. The interior minister also designated Inspector Candido (Caudo Equizar Simonel) as coordinator general of the Montevideo police command. [Text] [Montevideo Radio Carve in Spanish 0000 GMT 6 Mar 85 PY]

EXILES AUTHORIZED TO RETURN--Uruguayan President Julio Maria Sanguinetti has authorized the return of all civilian exiles who were [word indistinct] by the military during the dictatorial era. An official communique issued in Montevideo stated that it is the goal of the new constitutional government to encourage the return of all Uruguayans who were forced to abandon the country due to economic or political motives. It was also reported from Montevideo that with the mediation of Transportation Minister Jorge Sanguinetti, the 3-day old strike by workers of the Uruguayan state-owned airline ended. The workers were demanding the withdrawal of military officers from that enterprise. Labor leaders from that sector reported that the minister had promised to abolish a law issued during the military regime ordering the intervention of the Air Force in the state-owned airline. [Text] [Havana International Service in Spanish 1800 GMT 7 Mar 85]

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VENEZUELA

# COPEI LEADERS MEET WITH LUSINCHI TO DISCUSS COOPERATION

Caracas EL DIARIO DE CARACAS in Spanish 7 Feb 85 p 12

[Interview with Eduardo Fernandez, secretary general of COPEI, at government palace: "COPEI, Government Understand Each Other After Cordial Meeting"; date not specified]

[Excerpts] The government wanted to see if Eduardo Fernandez came to the palace as a psychiatrist or politician. It verified that he came as a politician. He did not even ask the president about the opinions he gave the press last week criticizing the group therapy between the AD [Democratic Action] and the government that endangered the national agreement his party formally proposed yesterday in Miraflores. This has reached a level of understanding.

At exactly 11:00 they were at the doors of the palace posing for the first photographs. The president of COPEI [Social Christian Party], Godofredo Gonzalez, secretary general Eduardo Fernandez and other leaders--Jose Antonio Perez Diaz, Abdon Vivas Teran and Luis Enrique Oberto--arrived and immediately went to the palace chapel. Fernandez was the only one who remained outside, approached by microphones and tape recorders.

[Question] Ministers Consalvi and Lepage have said that you do something like "pray to God and keep the powder dry" because you seek friendships and make fierce attacks on the government.

[Answer] What is involved is the national interest. For us our first priority, our first duty, our first loyalty is to Venezuela. Consequently, we have to offer our assistance in two directions--on one side helping solve problems from the opposition and, on the other side, helping the firm and constructive opposition. That is the party line....It is necessary to distinguish two fields. One field has very high national priority, great national interest, so a consensus must be achieved. The government must collaborate to solve those problems and the opposition must collaborate to solve them. We must reach a point that permits us to act together to solve the problem of unemployment, for example, economic revitalization and the high cost of living.

The minister of the Secretariat of the Presidency, Simon Alberto Consalvi, came to the door to find them. Those who were in the chapel joined the group which was led, without further ado, to the office of President Jaime Lusinchi.

No minister was present during the first hour and 15 minutes of the meeting. At 12:20 the president gave an order to call Minister Consalvi and Minister of Interior Octavio Lepage. The first subject discussed by all of them was the Pope's visit. The meeting ended 45 minutes later. Godofredo Gonzalez came out talking with Fernandez about what they were going to say but they did not have much time. Already the COPEI press chief, Felix Ramon Fernandez, had shared the letter with the proposed agreement dated 8 January and the journalists were ready to ask questions.

[Question] Dr Fernandez, how was the meeting? Was any agreement reached?

[Answer] It was a very frank, very interesting conversation with the president of the republic first and I would say it was very positive. Then the president was joined by some of his collaborators. COPEI expressed its concerns about the national situation with complete loyalty and clarity. It revealed its willingness to take a constructive position to help solve the major national problems. Our preliminary conclusion is that the president has completely understood the patriotic spirit that inspires the party's position. It pleases me to state this. In any case, we are now going to meet with our national directorate to report on the details of the conversation....I also want to inform the public that, during the course of the conversation, we praised the great success, the brilliant success that the country had with the visit by His Holiness John Paul II....It was a refreshing visit by the head of the Catholic Church, a presence and a message that oblige us all to become better.

I believe that the government has the obligation to become better and the opposition, while continuing to be the opposition, must help solve the problems of the Venezuelans.

Later, the one who last week questioned the sincerity of COPEI gave the government version: "The president of the republic is very pleased with the cordial and positive way this official exchange with the main opposition party and its leaders was carried out. It does not seem pertinent to stipulate the agreements. It was agreed to create certain work teams in each area in order to begin to identify positions. The government, as the president of the republic stated, benefits because this is the logical way for the opposition to contribute its viewpoints."

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VENEZUELA

CTV SUPPORTS SEVENTH PLAN

Caracas EL DIARIO DE CARACAS in Spanish 7 Feb 85 p 12

[Text] Representatives of the CTV [Confederation of Venezuelan Workers] told Congress that the features of the Seventh Plan of the Nation "are truly positive."

Juan Jose Delpino, its president, and Antonio Rios and Cesar Olarte, executive secretaries of the CTV, went to the bicameral committee to give their opinions on the bill. Representatives of CODESA [Committee of Autonomous Unions]--Haydee Deutsch, secretary general, and her advisers Mireya Rodriguez and Alexis Sierralta--and the CGT [General Confederation of Workers] represented by Alfonso Perez were also there.

Juan Jose Delpino read a lengthy document prepared by the economic advisory committee of the labor federation. It stated: "The new plan conceived as a continual, flexible and modular process opens the way to participative work to correct the forecasts of the planners based on the circumstances that arise."

They observed that the idea of the SEC [Economic System of Cooperation] that is inserted in the Seventh Plan covers the CTV's repeated stand on comanagement. Delpino mentioned the points on economic revitalization, employment policies, income redistribution, the political strategy and state fiscal and financial reforms.

Delpino pointed out one objection to the Seventh Plan--the wage policy. They do not believe it is the best.

As to state reform, the CTV maintains that the changes must not be only technical, operational or instrumental "but a sociopolitical process with projection on national life to transform the state into an organization capable of effectively serving the advanced democratization of the Venezuelan society, the development of a democracy less unbalanced and less unequal than the current one."

CODESA criticized the plan both in content and in form. It indicated: "There is no doubt that a concentrated focus on overcoming the short-term problems through adjustment of the current recessive economic situation is not enough."

It stated that the theoretical statements are closer to a government program than to a plan of the nation. It also observed that the plan criticizes public expenditures but, in turn, proposes them as a key macroeconomic variable for recovery.

The CGT message emphasized the need for the plan to be more participative.

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VENEZUELA

# FTC DECISION TO LEAVE CTV SECRETARIAT

Caracas EL DIARIO DE CARACAS in Spanish 7 Feb 85 p 12

[Text] Yesterday the expanded national directorate of the FTC [Social Christian Workers Front] approved the decision to leave the secretariat general of the CTV [Confederation of Venezuelan Workers], a position it has occupied since 1970 when the sixth workers congress was held. As the meeting continues today, the way that separation will take place should be learned. Dagoberto Gonzalez anticipated that Rafael Leon Leon could resign or wait for the ninth congress in May.

In any case, Gonzalez said that the decision by COPEI [Social Christian Party] to participate in the coming event with its own platform "which, of course, other forces of the opposition can join" is "irreversible." According to Gonzalez, leaving the secretariat general is due "to the number of one-upmanship maneuvers that the AD [Democratic Action] has been developing since the beginning of the union election process last year." To Antonio Rios, AD union chief, the reason for the COPEI protest is "to hide its election failure."

Rios, with statistics in his hand, explained that COPEI does not have the votes to retain the four regional federations and one national one it currently leads. He said: "Its positions on the executive committee will go down to two."

Gonzalez indicated that the CTV executive committee where the AD has an absolute majority decides on many matters, ignoring the opinion of the other forces. As a concrete case, he mentioned the report on the seventh plan that was delivered to the National Congress yesterday. He said: "That report was not known or discussed in the executive committee."

The COPEI leader also denounced an attack on the Portuguesa construction union. This would be part of the "irregular conduct" by the AD forces.

When COPEI leaves the secretariat general, now or during the workers congress, it will break the institutional pact that COPEI and AD have in the CTV. According to it, despite the obvious AD majority in the union central, that party permits COPEI to hold this position. That pact began in 1970 when the AD, reduced by the decision of the MEP [People's Electoral Movement], prevented the reelection of Jose Gonzalez Navarro (then in the MEP) to the presidency of the CTV. Rios said yesterday that there is no law that says that COPEI has to occupy the secretariat general.